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## **China**

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**Wednesday  
3 April 1998**

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April 1996

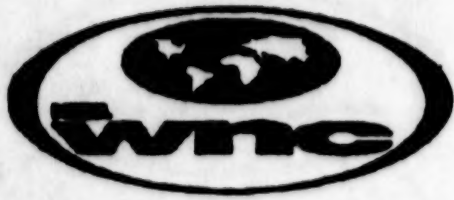
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# Daily Report

## China

FBIS-CHI-96-065

### CONTENTS

3 April 1996

**NOTICE:** An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

PRC: Spokesman on Need for 'Concrete Actions' To Ease Tensions [ <i>CHINA DAILY</i> 3 Apr]	1
PRC: Spokesman Says Taiwan's Arms Purchase To Affect Peace [ <i>Hong Kong WEN WEI PO</i> 3 Apr]	1
PRC: Spokesman on Hong Kong Legco, Vietnamese Refugees [ <i>ZHONGGUO XINWEN SHE</i> ]	1
PRC: Spokesman on 'Illegal' U.S. Fund-Raising Event in Beijing [ <i>XINHUA</i> ]	2
PRC: Article Reports Sino-Pakistan Nuclear 'Collaboration' [ <i>London THE TIMES</i> 2 Apr]	2
PRC: Nuclear Corporation Denies Proliferation With Pakistan [ <i>Hong Kong SOUTH CHINA MORNING POST</i> 3 Apr]	3

##### United States & Canada

PRC: Jiang Zemin Receives U.S. Senator [ <i>XINHUA</i> ]	3
PRC: U.S. Role in NATO's 'Eastward Expansion' [ <i>RENMIN RIBAO</i> 26 Mar]	3

##### Central Eurasia

PRC: Russian Speaker Says China 'Priority' in Foreign Policy [ <i>XINHUA</i> ]	4
--	---

##### Northeast Asia

PRC: Qian Qichen Meets Japanese Emperor, Empress [ <i>XINHUA</i> ]	4
PRC: Qian Qichen Holds News Conference in Tokyo [ <i>XINHUA</i> ]	5
PRC: Qian Qichen Returns From Japan Visit [ <i>XINHUA</i> ]	6
PRC: Rong Yiren Meets Japanese Visitors [ <i>XINHUA</i> ]	6
PRC: Rong Yiren Urges Frank Exchange of Ideas With Japan [ <i>XINHUA</i> ]	6

##### West Europe

PRC: French Official Discusses China's Nuclear Development [ <i>XINHUA</i> ]	7
PRC: Germany's Vogel Affirms 'One-China Principle' [ <i>Frankfurt/Main FRANKFURTER ALLGEMEINE</i> 2 Apr]	7

#### NATIONAL AFFAIRS

##### NPC

PRC: Hu Jintao, Tibet NPC Deputies Discuss Li Peng Report [ <i>XINHUA</i> ]	9
PRC: Leaders Discuss Li Peng Report at NPC [ <i>XINHUA</i> ]	9
PRC: Jiang Zemin Holds Discussion With Jiangsu NPC Deputies [ <i>XINHUA</i> ]	14
PRC: Liu Huaqing, Shandong NPC Deputies Discuss Li Peng Report [ <i>XINHUA</i> ]	15
PRC: Qiao Shi Joins Henan NPC Discussion on Enterprise Reform [ <i>XINHUA</i> ]	15
PRC: Sichuan Governor on Agricultural Development [ <i>XINHUA</i> ]	16
PRC: NPC Resolution on Outline of 9th 5-Year Plan [ <i>XINHUA</i> ]	17

##### Political & Social

PRC: Jiang Zemin, Li Ruihuan at CPPCC Discussions [ <i>XINHUA</i> ]	20
---	----

PRC: Jiang's Attempt To Revise Deng Line Draws Fire From Media [Hong Kong SING TAO JIH PAO 3 Apr]	21
PRC: Jiang's Urging 'Attention to Politics' Praised [RENMIN RIBAO 1 Apr]	22
PRC: Jiang Zemin Reportedly Visits Hu Yaobang Family [Hong Kong PING KUO JIH PAO 30 Mar]	28
PRC: Li Peng Makes 'Surprise Visit' to Shenzhen [Hong Kong EASTERN EXPRESS 2 Apr]	28
PRC: Article Sees Qiao Shi Taking More Prominent Role [Hong Kong SOUTH CHINA MORNING POST 3 Apr]	29
PRC: White Paper Refutes Human Rights Watch/Asia Accusations [XINHUA]	30
PRC: Beijing Issues Child Welfare White Paper [XINHUA]	31
PRC: White Paper Refutes Accusations on Children's Homes [XINHUA]	41
PRC: Ministry Official Says Transient Population Well Managed [CHINA DAILY 3 Apr]	41

### Science & Technology

PRC: High-Technology Project To Highlight 5 Areas [CHINA DAILY 3 Apr]	42
PRC: Data Base of 'Noted' Chinese Scientists Completed [XINHUA]	43
PRC: Daya Bay Nuclear Plant To Close for Maintenance [XINHUA]	43

### Military & Public Security

PRC: Logistics Department Stresses Spirit of 8th NPC Session [JIEFANGJUN BAO 20 Mar]	43
PRC: Biodata on Guangzhou MR Commander Tao Bojun [Hong Kong KUANG CHIAO CHING 16 Mar]	44
PRC: Beijing Aims To Recruit Over 1,000 More Police [XINHUA]	45

## ECONOMIC AFFAIRS

### General

PRC: State Planning Commission Issues Price Check Circular [XINHUA]	46
PRC: Li Peng To Deliver Report at SEZ Conference [Hong Kong MING PAO 3 Apr]	46
PRC: Legend Group Improves Computer Technology Standard [XINHUA]	47
PRC: Control Tightened on IC Card Production [XINHUA]	47
PRC: Ministry To Grant Titles to Staff in Rural Industries [CHINA DAILY 2 Apr]	47

### Foreign Trade & Investment

PRC: Official Says Early WTO Admission Unlikely [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 3 Apr]	48
PRC: Wu Yi Column on WTO, Uruguay Round Agreement [RENMIN RIBAO 27 Mar]	48
PRC: Economic, Trade Arbitration Commission Busiest in World [ZHONGGUO XINWEN SHE]	49
PRC: Activity of Economic Arbitration Committee Cited [XINHUA]	49
PRC: Foreign Business Mediation Center Set Up in Wuhan [XINHUA]	49
PRC: Envoy Says Beijing Expanding Economic Ties With SAARC [XINHUA]	50
PRC: Norway Supports Anhui Pollution Control Project [XINHUA]	50
PRC: Spanish Government Funds Waterworks Project [XINHUA]	50
PRC: Automotive Plant Exports Jiefang Trucks to Burma [XINHUA]	50
PRC: Xiamen Introduces More International Standards [XINHUA]	51
PRC: Hubei Seeking Widespread Foreign Investment [XINHUA]	51
PRC: Jiangsu Seeks Foreign Investment in Transportation [ZHONGGUO XINWEN SHE]	51
PRC: Shandong Cooperation With Germany, Singapore Cited [XINHUA]	51
PRC: Shanghai's Foreign-Funded Enterprises Profitable [XINHUA]	52
PRC: Xinjiang Agriculture Benefits From Foreign Capital [XINHUA]	52

### Agriculture

*PRC: Grain Demand for Years 2000, 2010, 2020 [JINGJI RIBAO 5 Mar]	52
--	----



PRC: Small Chemical Fertilizer Firms To Boost Technology Use [ZHONGGUO XINWEN SHE]	53
PRC: Provinces Target Fertilizers for Wheat Production [XINHUA]	53

## REGIONAL AFFAIRS

### East Region

PRC: 'Excerpts' of Jiangsu 9th 5-Year Plan [XINHUA RIBAO 13 Feb]	54
--	----

## PRC MEDIA ON TAIWAN AFFAIRS

PRC: Qiao Shi Asserts Taiwan Issue 'Internal Affair' [XINHUA]	84
PRC: Qian Qichen on Cross-Strait Ties, Military Exercises [Hong Kong WEN WEI PO 3 Apr]	84

## TAIWAN

Taiwan: Further on Matsu Military Exercise Suspension [CNA]	85
Taiwan: Cross-Strait Talks Expected To Resume This Year [CNA]	85
Taiwan: Lien on Significance of Leaders' Meetings [CNA]	85
Taiwan: Taipei Opening Door to Mainland Industrial Imports [CNA]	86
Taiwan: Editorial on Improving Cross-Strait Ties [Hong Kong SOUTH CHINA MORNING POST 3 Apr]	86
Taiwan: Taipei, South Africa Agree on Monetary Cooperation [CNA]	86

## HONG KONG & MACAO

### Hong Kong

Hong Kong: General on Provisions of Hong Kong Garrison Law [XINHUA]	88
Hong Kong: Legislators View Powers of PLA Soldiers [Hong Kong EASTERN EXPRESS 3 Apr]	89
Hong Kong: TV Stations Lobby for Rights To Cover Handover [Hong Kong SOUTH CHINA MORNING POST 3 Apr]	89
Hong Kong: Editorial Praises Nationality Arrangements [Hong Kong WEN WEI PO 30 Mar]	90
Hong Kong: Patten on Support to Preparatory Committee [Hong Kong EASTERN EXPRESS 3 Apr]	91
Hong Kong: Patten Discusses Handover Ceremony Debate [Hong Kong MING PAO 31 Mar]	92
Hong Kong: Patten Criticizes PC Handling of Right of Abode [Hong Kong MING PAO 1 Apr]	92
Hong Kong: Britain Impatient With Handover Ceremony Talks [Hong Kong EASTERN EXPRESS 3 Apr]	93
Hong Kong: Beijing Renews Demand for Officials' Records [Hong Kong EASTERN EXPRESS 3 Apr]	94
Hong Kong: PRC Official Plays Down Loyalty Pledge [Hong Kong HONGKONG STANDARD 3 Apr]	94
Hong Kong: Draft Law Seeks Indefinite Detention of Refugees [Hong Kong SOUTH CHINA MORNING POST 3 Apr]	95
Hong Kong: Editorial on Dealing With SRV Boat People [Hong Kong EASTERN EXPRESS 3 Apr]	96

**General**

**PRC: Spokesman on Need for 'Concrete Actions' To Ease Tensions**

HK0304090696 Beijing CHINA DAILY in English  
3 Apr 96 p 1

[By Ma Chenguang: "Concrete Actions' By Taiwan Required"]

[PTS Transcribed Text for FBIS] The Chinese Government has taken note of the repeated indication of the Taiwan authorities to hope for the relaxation of tensions across the Taiwan Straits, a Foreign Ministry spokesman said yesterday in Beijing.

"It's our hope that the Taiwan side can take concrete actions to ease cross-Straits relations," Shen Guofang said.

However, as Taiwan is continuing to order more weapons from certain countries, the central government believes that the sale of large amounts of weapons to Taiwan will "adversely affect peace and stability in this region," he told a routine news briefing.

Meanwhile, commenting on the Vietnamese "boat people with Taiwan IDs" now stranded in Hong Kong, Shen declared that the British Government should take concrete and effective measures to completely solve this problem before July 1, 1997.

As the boat people problem had wholly resulted from Britain's promise that Hong Kong would be treated as a "port of first asylum," he said, it has brought heavy economic and other burdens upon HK and aroused great dissatisfaction among the HK people.

Shen said Britain, which first made the promises, would bear the responsibility for implementing a full solution of the problem.

Shen went on to say that as for the civil servants issue for the future Hong Kong Special Administrative Region government, the staff of the HK SAR government designate will be responsible for the HK SAR Provisional Legislative Council (Legco).

That is to say, Shen explained any senior officials in the current British HK Government who have the intention to join the HK SAR Government must endorse the Provisional Legco and co-operate with it.

The HK Basic Law has defined those requirements for the SAR officials, Shen said.

At the briefing, the spokesman also denied an allegation that China has sold equipment or technology to Pakistan to be used for producing nuclear weapons.

"China is fully against nuclear proliferation," Shen said.

**PRC: Spokesman Says Taiwan's Arms Purchase To Affect Peace**

HK0304092896 Hong Kong WEN WEI PO in Chinese  
3 Apr 96 p A1

[Dispatch by staff reporter Han Hua (7281 2901) from Beijing on 2 April: "Beijing Says Taiwan's Purchase of Large Quantities of Arms Is Not Conducive To Peace"]

[PTS Translated Text for FBIS] In response to Taiwan's announcement of its plan to hold military exercises from 7 April and the U.S. Government's statement that the military drills are not conducive to easing cross-strait relations, Shen Guofang, spokesman for the Chinese Ministry of Foreign Affairs, today expressed the hope that Taiwan can take concrete actions to ease cross-strait relations.

Shen Guofang said that the Chinese Government also noticed that Taiwan still seeks to purchase weapons from some countries. Shen believed that the purchase and sale of large quantities of weapons in this region will affect its peace and stability.

**PRC: Spokesman on Hong Kong Legco, Vietnamese Refugees**

OW0204141596 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1201 GMT 2 Apr 96

[FBIS Translated Text] Beijing, 2 Apr (ZHONGGUO XINWEN SHE) — Today, Chinese Foreign Ministry spokesman Shen Guofang stressed that if any senior Hong Kong officials currently in office intend to participate in the [Hong Kong] special administrative region's governmental work, they must identify themselves with the provisional Legislative Council [Legco] of Hong Kong and cooperate with it.

At a news conference held by the Foreign Affairs Ministry, Shen Guofang also said: The British Hong Kong authorities formed the Legco's last term before an agreement was reached between China and Britain. As it violates both the Sino-British Joint Declaration and the Hong Kong Basic Law, the Legco term will be valid until 30 June 1997 only.

Shen Guofang also said: The existing problem of Vietnamese boat people and refugees stranded in Hong Kong is caused by the British. China hopes the British will conscientiously implement the action plan formulated by a conference convened by the United Nations Office of the High Commissioner for Refugees, fulfill the duties it ought to fulfill, and take practical and effective measures to completely solve the problem of Vietnamese boat people and refugees stranded in Hong Kong by 1 July 1997.

**PRC: Spokesman on 'Illegal' U.S. Fund-Raising Event in Beijing**

OW0304120496 Beijing XINHUA in English  
1149 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — A fundraising event by an American was asked to be halted by officials in Beijing after it was declared illegal.

More than 400 Chinese people paid 600 Chinese yuan per head to attend the fundraising event at the Lidu Hotel in China's capital city.

Foreign Ministry spokesman Shen Guofang explained today why the Social Groups Administrative Office of the Beijing Municipal Government intervened to call a halt to the illegal fundraising activity organized by an American last weekend.

Shen was asked at a briefing why Chinese police stopped the charitable fundraising activity at the Lidu Hotel on the evening of March 30.

An American, Tim Baker, organizer of a fundraising dinner in the name of so-called Philip Hayden Charitable Foundation, sold admittance tickets at 600 Chinese RMB [Renminbi] each to Chinese citizens before they were allowed to enter the dining hall, Shen Guofang said, adding more than 400 tickets were sold out.

Having been informed about the activity, officials from the Social Groups Administrative Office of the Beijing Municipal Government went to investigate the actual conditions, inquiring into the Foundation's status, and whether its activities within China had been registered with the relevant Chinese authorities, and whether it had applied for approval with relevant Chinese authorities to hold the activity.

Unregistered activities, or where an application is not made for registration, violate Chinese law.

Tim Baker admitted that the Foundation had not registered with relevant Chinese authorities, and he had not applied for legal approval to hold the event. The organizer also admitted that the Foundation's activity that night had violated the Beijing municipality's relevant regulations governing registration of legal persons of social groups, gatherings and fundraising activities.

The fundraising activity was asked to be stopped that night, but the dinner was allowed to continue at the request of the organizer, Shen Guofang said.

**PRC: Article Reports Sino-Pakistan Nuclear 'Collaboration'**

MS0204105296 London THE TIMES in English  
2 Apr 96 p 14

[Ian Brodie report: "Spies 'Proved China Helped Pakistan Get Nuclear Bomb'"]

[FBIS Transcribed Text] Washington — American spies secretly rifled the luggage of Pakistan's chief nuclear weapons designer while he was on an overseas trip, according to a report published yesterday. Inside was the first concrete evidence of Chinese collaboration with Pakistan's efforts to build a nuclear bomb.

The search, in the early 1980s, yielded a drawing of a crude but highly reliable Hiroshima-sized weapon that could have come only from Beijing, according to US officials. Afterwards, American nuclear scientists made a model of the weapon and confronted Pakistan's Foreign Minister in Washington. They wanted to demonstrate to Pakistan that the US knew more about its nuclear weapons programme than it realised. But the Minister, Yakub Khan, denied any knowledge of Chinese assistance, claiming no such bomb existed.

This cloak-and-dagger account appeared in THE WASHINGTON POST. That such sensitive intelligence information was leaked was evidence of a serious split inside the Clinton Administration between those seeking sanctions and others who do not want to imperil America's huge and growing investment in China.

It is a critical issue for President Clinton. If Washington has proof of the Chinese help, he is required by law to halt US government loan guarantees worth \$10 billion (6.6 billion pounds) to American firms doing business with China.

The matter has come to a head with the US intelligence discovery that the Chinese National Nuclear Corporation has been selling magnets to Pakistan for a centrifuge producing fissile material for nuclear weapons. Pakistan has denied getting the aid. China says any such sale was for peaceful purposes.

The loan guarantees have been frozen, but Mr Clinton's senior policymakers failed to reach agreement during an hour-long White House meeting. One solution is for the President to impose a penalty, then waive it. Or he could limit sanctions to the Chinese factory involved. Either way, he would have to cite national interest as the reason.

The snag is that, with the election looming, the Republicans are gearing up to attack him as soft on China in the face of its war games against Taiwan, human rights



record, piracy of Western CDs [compact disc] and software, and determined exports of nuclear know-how.

Notice that China will become an election issue was served by Jesse Helms, the Republican chairman of the Senate Foreign Relations Committee. He has declared that the Administration "has neither a strategy nor resolve" for dealing with Peking.

**PRC: Nuclear Corporation Denies Proliferation With Pakistan**

*HK0304072496 Hong Kong SOUTH CHINA MORNING POST in English 3 Apr 96 p 9*

[By Vivien Pik-Kwan Chan]

[PTS Transcribed Text for FBIS] The China National Nuclear Corp (CNNC) has held talks with the United States over alleged sales of nuclear equipment to Pakistan to try to prevent sanctions, company staff said.

"We have explained to US officials that a subsidiary of the CNNC sold the parts to its client from Pakistan. They are civilian products and not sophisticated enough to be used to process uranium for nuclear weapons," a staff member said.

He emphasised that the Pakistan counterpart in the transaction was also a civilian enterprise. The subsidiary involved was a research institute in southern China, he said.

"The institute used to be a research centre for the military but it started manufacturing civilian goods after we started the military conversion programmes several years ago," he explained. The majority of its products were for the domestic market.

"Under the market system, it has to find its own market outlets. The CNNC head office in Beijing has no idea what it manufactured, let alone the central Government."

CNNC sources said that the company had learned from the incident and had tightened export inspections. "In the past, we exercised strict inspections of military equipment production. As military conversion programmes expanded, we relaxed our inspection of subsidiaries which had been converted to produce civilian goods."

The head office had also alerted the management of subsidiaries to inspect their buyers' backgrounds to make sure their products would not be used for other purposes.

"If any sanction is imposed, it is only an over-reaction for political reasons during the US presidential election year."

CNNC officials warned that penalties would only damage benefits for US companies that had business ties with the CNNC.

The Chinese Government rejected a US request to stop any further nuclear related exports to Pakistan.

The CNNC supported the government decision.

"China has already signed the Nuclear Non-Proliferation Treaty. China is not involved in nuclear proliferation. If China makes another guarantee it means, in other words, China admits nuclear proliferation."

**United States & Canada**

**PRC: Jiang Zemin Receives U.S. Senator**

*OW0304100796 Beijing XINHUA in English 0923 GMT 3 Apr 96*

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — Chinese President Jiang Zemin met with Senator Craig Thomas, chairman of the US Senate Foreign Relations Subcommittee on East Asian and Pacific Affairs, here this afternoon.

During the meeting at Zhongnanhai, headquarters of the Central Committee of the Chinese Communist Party and the State Council, Jiang and Thomas exchanged views on Sino-US relations and other issues of common concern.

Thomas and his party are here as guests of the Chinese People's Institute of Foreign Affairs. Following Beijing, they will visit Shanghai, China's largest industrial city, and south China's Guangdong Province.

**PRC: U.S. Role in NATO's 'Eastward Expansion'**

*HK0304034296 Beijing RENMIN RIBAO in Chinese 26 Mar 96 p 6*

[Article from "International Forum" column by Huang Qing (7806 2532): "Eastward Expansion of NATO and Plot of the United States"]

[PTS Translated Text for FBIS] In the wake of NATO secretary-general Javier Solana Madariaga's visit to Russia in mid-March, U.S. Secretary of State Christopher met with his counterparts from three Baltic countries and nine central and eastern European countries in Prague on 20 March, and delivered a keynote speech on European security. In the speech, Christopher stressed the implementation of the eastward expansion of NATO, saying that the United States is determined to let central and eastern European countries participate in NATO as "new allies," regardless of Russia's opposition. The tough stance of the United States is noteworthy.

There are two background issues behind Christopher's speech that call for people's attention: First, the Russian Duma adopted a resolution not long before, announcing that the resolution on disbanding the former USSR was invalid. In recent years, there has been a surge in nationalist sentiment in Russia, and both the government and the public have almost held a unanimous attitude of strong opposition to the eastward expansion of NATO. Second, what the West is calling a "velvet restoration" has occurred in central and eastern European countries, where left-wing political forces have taken office one after another, creating consternation in the United States. Under such circumstances, the United States is in a hurry to consolidate and expand the strategic results of the disintegration of the USSR and realize through the eastward expansion of NATO its strategic plan to "bring in central and eastern Europe, thus compelling Russia to submit."

In addition, Christopher explicitly indicated in his speech that the chief experience [zhu yao jing yan 0031 6008 4842 7526] of the 20th century was precisely the imperative of the United States to continue to exist as a powerful force in Europe. The United States stresses the central role of NATO, while its basic consideration is to maintain and expand U.S. influence and dominance.

In Christopher's subsequent visit to Russia, once again the issue of the eastward expansion of NATO became a focus of disputes between the two sides. Russia's strong reaction can be imagined. There are two possible prospects for NATO to implement its eastward expansion. First, the front line of NATO will move eastward, making it closer to Russia's heartland; just as the Russian foreign minister put it, the expansion would "worsen Russia's geopolitical situation." Second, the eastward expansion of NATO would include the regional issues and contradictions of central and eastern Europe within NATO's purview. NATO originally was a military organization with an opponent and a hypothetical enemy, and whose members shared relatively unanimous security interests. An eastward expansion would confuse both its functions and targets; it is likely that NATO would evolve into a round table conference where each sings its own tune.

More often than not, history makes a turn at a point quite beyond people's anticipation. Two trends have occurred in the world in post-Cold War days; one, economics and information have turned global, with global flows of funds and the surfacing of new regions of economic growth. Two, corresponding to such circumstances is the acceleration of the progress of political pluralism. The American Cold War mentality and overweening mind set runs counter to this current. The United States has been hastily and nervously seeking "leadership"

everywhere, with all 10 fingers pinning 10 bugs, while constantly revealing its tiredness. It has fared worse and worse for all its scheming, and its ambition probably cannot be fulfilled.

### Central Eurasia

#### PRC: Russian Speaker Says China 'Priority' in Foreign Policy

OW0204170196 Beijing XINHUA in English  
1636 GMT 2 Apr 96

[FBIS Transcribed Text] Moscow, April 1 (XINHUA) — The speaker of the Upper House of Russia's parliament said here today that to develop good relations with China is Russia's long-term unswerving policy.

At a banquet in honor of Chinese National People's Congress (NPC) Standing Committee Chairman Qiao Shi, Yegor Stroyev, chairman of the Russian Federation Council, said the People's Republic of China has been and will remain a major priority in Russia's foreign policy.

"We have had different chapters in our relations, but history has taught us that both Russia and China need each other. It is better for us to be united than divided," Stroyev said.

He said Russia and China helped each other during the harsh times when confronting fascism and militarism.

"The firm friendship between us is an important factor in security, stability, peace and development in Asia and the world at large," Stroyev said.

Qiao, who arrived here Sunday on a six-day official visit, thanked the hosts for their hospitality, said China fully respects the choices made by the Russian people and will strive to develop friendly, good-neighborly, mutually beneficial and cooperative ties with Russia in line with the Five Principles of Peaceful Coexistence, whatever the circumstances.

Russia is the second leg of Qiao's current tour, which will also take him to Cuba and Canada. He earlier visited Ukraine.

Besides Moscow, Qiao and his entourage will visit St. Petersburg before leaving for Greece for a stop-over.

### Northeast Asia

#### PRC: Qian Qichen Meets Japanese Emperor, Empress

OW0204134096 Beijing XINHUA in English  
1330 GMT 2 Apr 96

[FBIS Transcribed Text] Tokyo, April 2 (XINHUA) — Japanese Emperor Akihito said today that he hopes



Japan and China will continue high-level contacts to enhance the friendship between the neighboring countries and deepen mutual understanding.

He made the remarks during a meeting with visiting Chinese Vice-Premier and Foreign Minister Qian Qichen at the Imperial Palace.

Qian told the imperial couple that his talks with Prime Minister Ryutaro Hashimoto and Foreign Minister Yukihiko Ikeda were meaningful and that he was satisfied with the result of the visit, a Chinese Foreign Ministry official said.

Qian arrived here Sunday for a four-day official visit, which included separate talks with four former prime ministers and other top leaders in both ruling and opposition parties.

**PRC: Qian Qichen Holds News Conference in Tokyo**

OW0304095996 Beijing XINHUA Domestic Service in Chinese 0251 GMT 3 Apr 96

[By reporters Liu Wenyu (0491 2429 3768) and Gang Ye (0398 0396)]

[FBIS Translated Text] Tokyo, 2 Apr (XINHUA) — Qian Qichen, vice premier of the Chinese State Council and foreign minister, held a news conference at the Tokyo Reporters' Club here today and answered reporters' questions on issues including Sino-Japanese ties.

Qian Qichen said at the beginning: This visit to Japan is very short with a very long itinerary. I have called on their majesties the emperor and empress, and comprehensively and candidly exchanged ideas on issues of common interest with Prime Minister Hashimoto and Foreign Minister Ikeda. I have also had extensive contacts and held friendly dialogs with Japanese people from various circles.

Answering a question on Sino-Japanese ties, Qian Qichen said: When normalizing diplomatic ties, China and Japan discussed two major issues — historic issues and Taiwan issues. We should consider these two issues as the important political foundation for China and Japan having resumed their diplomatic ties. Only by correctly understanding history can we develop the future of bilateral Sino-Japanese ties. Japan should have a clear-cut stand on the Taiwan issue, and only then can Sino-Japanese ties develop smoothly. We believe we should handle the historic and Taiwan issues in accordance with various principles stipulated in the Sino-Japanese Joint Declaration and the Sino-Japanese Peace and Friendship Treaty. On the issue of China conducting nuclear tests, China and Japan are facing

different situations. Japan is the only country in the world to have come under nuclear attack, and the Japanese people incurred losses. Therefore, they are more sensitive on the issue. However, Japan is under U.S. nuclear protection. China is the nuclear power with the smallest number of nuclear weapons, and has declared that under no circumstances will it initiate the use of nuclear weapons and that it will not use nuclear weapons against nuclear-weapons-free countries. Other nuclear powers have yet to make similar commitments. Consequently we should say that China is under nuclear threat. Under the circumstances, we should improve mutual understanding and seek common ground while reserving differences. If the nuclear test issue is linked with other issues or some inappropriate measures are taken, the result will be detrimental to the development of bilateral ties.

Commenting on Sino-U.S. ties, Qian Qichen said: When establishing diplomatic ties, China and the United States comprehensively discussed the Taiwan issue. The United States has carried out three measures: First, it withdrew its troops from Taiwan. Second, it severed the so-called diplomatic ties with Taiwan. Third, it abolished the so-called U.S.-Taiwan Security Treaty. At present, the major issue is that the United States should strictly adhere to the three joint communiques.

Commenting on the Taiwan issue, Qian Qichen said: When dealing with the Taiwan issue, the most important thing is to take actions to keep Taiwan from splitting from the motherland and to fight Taiwan independence. Therefore, regardless of how the Taiwan leader is chosen and who becomes the Taiwan leader, he must firmly remember that Taiwan is a part of China, and that Taiwan and the mainland will be reunified. The policies of "peaceful reunification" and "one country, two systems" that we will implement remain unchanged. The Taiwan Strait situation will be very normal so long as the Taiwan authorities do not promote Taiwan independence and foreign forces do not support or connive with Taiwan to promote splitting activities.

Qian Qichen also said: "The international community has a common understanding, namely, there is only one China. The PRC Government is the only legitimate government of China. Some people even think that China is an ambiguous concept or merely a historic, geographic, or cultural concept. I believe that such a view is totally wrong."

Answering a question concerning China's military exercises, Qian Qichen said: China's military exercises were normal exercises. We announced where those exercises would be conducted, and when they would start and end. Our exercises proceeded according to plan.



The exercises' main purpose was to improve the armed forces' combat effectiveness, and also to demonstrate our determination and ability to safeguard our country's territorial sovereignty and integrity. It is Taiwan independence, not its "elections," we are against and will firmly stop.

Commenting on some people's proposition that the Japan-U.S. Security Treaty should be strengthened in view of the situation in the Taiwan Strait, Qian Qichen said: The whole world acknowledges that Taiwan is part of Chinese territory, and so the Taiwan issue is totally China's internal affair, on which foreigners [wai guo ren 1120 0948 0086] should not comment unscrupulously. If foreign forces intervene, they will only aggravate the tensions in the strait. He said: Owing to historical reasons, Japan should clearly understand the causes of the Taiwan issue and China's position on the issue, even more so than other people. On the Japan-J.S. Security Treaty, Qian Qichen said: That is a bilateral treaty between Japan and the United States. If this bilateral arrangement between Japan and the United States exceeds its bounds and involves the interests of other countries, it will complicate the development of the situation.

On the issue of chemical weapons Japan left behind in China, Qian Qichen said: When the Convention on Total Prohibition of Chemical Weapons was discussed in the past, parties concerned raised the question of how to dispose of the old chemical weapons left over from the past. The agreement finally reached was that those countries that left behind those weapons should be responsible for destroying them. Many chemical weapons left behind by Japanese troops have constantly been found in China, and the Japanese Government maintains it has the responsibility of destroying these weapons. The old chemical weapons left behind constitute a real threat to the environment and people's lives and property. Japan should destroy them as the convention dictates. This issue was also discussed during my visit to Japan. We want Japan to take actions as quickly as possible.

**PRC: Qian Qichen Returns From Japan Visit**

*OW0304121296 Beijing XINHUA in English  
1202 GMT 3 Apr 96*

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen returned to Beijing this afternoon after concluding his four-day visit to Japan.

**PRC: Rong Yiren Meets Japanese Visitors**

*OW0304083796 Beijing XINHUA in English  
0803 GMT 3 Apr 96*

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — Chinese Vice-President Rong Yiren met here this morning with some Japanese representatives to the Sixth Session of the Chinese-Japanese Non-Governmental Personages Meeting which started here this morning.

In his brief meeting with the Japanese visitors before the beginning of the session at the Great Hall of the People, Rong expressed his congratulations to them on the meeting and his appreciation for the efforts made by these well-known Japanese figures to help promote the development of bilateral friendly relations.

The meeting held five sessions between 1982 and 1990, with well-known public figures from the two sides as attendants.

This session, which is scheduled to conclude Friday, has over 120 attendants from the two countries. They are to conduct discussions in three separate groups on politics, economy and science and technology, and education and culture, respectively.

The topic for this session is Sino-Japanese relations and peace in Asia and the world at large.

**PRC: Rong Yiren Urges Frank Exchange of Ideas With Japan**

*OW0304083696 Beijing XINHUA in English  
0817 GMT 3 Apr 96*

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — As the new century looms on the horizon people from China and Japan are exchanging views in a frank and friendly way, a meeting in China's Great Hall of the People was told today by Chinese Vice-President Rong Yiren.

Rong made his comments at the Sixth Session of the Chinese-Japanese Non-Governmental Personages Meeting, which started in Beijing this morning.

The Vice-President attended the opening ceremony along with over 120 well-known people from both sides.

In his speech at the ceremony, Rong, on behalf of the Chinese Government and people, extended his hearty [as received] congratulations on the meeting, and warm welcome to over 70 Japanese attendants.

Rong said that the meeting, as an important channel for non-governmental friendly exchanges between China and Japan, plays a significant role in deepening mutual understanding and friendship between the two peoples.

pushing forward the development of bilateral friendly relations, and promoting bilateral exchanges and cooperation in various fields.

He continued that the meeting has achieved positive results in the past sessions, which were highly appreciated by the two governments, and the two peoples.

China and Japan are two friendly neighbors enjoying similar cultures, complementary economies, and a traditional people-to-people friendship, said Rong.

On the eve of the 21st century, he noted, people from the two countries were frankly exchanging views at the meeting, discussing bilateral friendship, which is of significance in Rong's words.

Pointing out that the Chinese Government attaches great importance to Sino-Japanese relations, Rong said he hoped that the meeting will exert a positive influence on a long-term, and steady development of bilateral relations.

The meeting had five sessions between 1982 and 1990 with well-known public figures from the two sides attending.

During this session, which is scheduled to conclude on Friday, those in attendance will conduct discussions in three separate groups, on politics, economy and science and technology, and education and culture.

The topic for this session will be Sino-Japanese relations and peace in Asia and the world at large.

Japanese former Deputy Prime Minister, representative to the Diet and president of Japan-China Friendship Center Gotoda Masaharu, and Japanese Ambassador to China Sato Yoshiyasu also delivered speeches at the opening ceremony.

President of the Chinese People's Association for Friendship with Foreign Countries, Qi Huaiyuan, and Japanese former Health and Welfare Minister, representative to the Diet and President of Japanese Dietmen's League for Japan-China Hayashi Yoshiro made key reports at the ceremony.

### West Europe

#### PRC: French Official Discusses China's Nuclear Development

OWD304041896 Beijing XINHUA in English  
0343 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — China's nuclear power development plays "a very important role" in the international market, said a visiting French official.

While the nuclear power market of Western countries has stabilized, China's still has prospects, Thierry Dujardin [name as received], executive deputy director of the Division for International Affairs of the Commission of Atomic Energy of France, recently told XINHUA in an interview.

In Europe, nuclear power output accounts for 35 percent of the total power output, while in France, it is 75 percent, Dujardin said.

China plans to develop nuclear power as part of its effort to ease energy shortages. By 2020, the installed capacity of nuclear power plants is expected to account for more than six percent of the country's total.

Dujardin said the Daya Bay and Ling'ao nuclear power plants and the second-phase of the Qinshan plant have offered business opportunities to French suppliers, and job opportunities to both France and China.

The official said that he hopes France will continue to help China develop nuclear power by providing equipment, and by transferring technology.

Dujardin said his talks with his Chinese counterpart Li Donghui, deputy director of the International Cooperation Bureau under the China National Nuclear Corporation (CNNC), had been beneficial.

Li said the two countries will continue cooperation in basic research, nuclear power security, development and reactor research.

#### PRC: Germany's Vogel Affirms 'One-China Principle'

AU0204133296 Frankfurt/Main FRANKFURTER  
ALLGEMEINE in German 2 Apr 96 p 6

[Report by "Th.": "Reunification Solely Through Dialogue"]

[FBIS Translated Text] Beijing, 1 April — Thuringian Minister-President Vogel, who is visiting the PRC along with a business delegation with a view to promoting contacts between his own land and two Chinese provinces, has said that he discreetly lobbied on behalf of political prisoners during talks with Deputy Premier Zhu Rongji, the Chinese "economics pope." Speaking "as an old friend," he warned his host against seeking reunification with Taiwan by means of threats, saying that it should be achieved through peaceful dialogue. Vogel drew attention to the extensive public debate in Germany about the Chinese maneuvers, as well as to demands that German politicians should cease visiting China.

Vogel, who is visiting China for the fifth time, told his hosts that Germany was grateful for China's support

for the reunification of Germany, adding that Germany would continue to adhere to the one-China principle. At the same time, Vogel pointed out that Germany did not achieve reunification by issuing threats, but by demonstrating a readiness to engage in dialogue. Following his talks, Vogel said he was "confident" that China would not go to war with Taiwan in the future. His Chinese hosts explained that historically China had always been humiliated by foreign powers, but had never initiated a conflict of its own accord. Vogel reminded the Chinese that China would be judged on the basis of its conduct in Hong Kong and developments there following 1997.

Human rights should not be subordinated to economic interests, but contacts should be cultivated to create the prerequisites for dialogue, said Thuringia's minister-president. A relationship based on trust also makes frank discussion possible, said Vogel.

During his talks on economic ties, Vogel pressed for the rapid translation of cooperation plans into concrete undertakings. The minister-president said that he regretted that the PRC was still insufficiently acquainted with the favorable conditions for economic cooperation that obtain in the new laender.



NPC

**PRC: Hu Jintao, Tibet NPC Deputies Discuss Li Peng Report**

OW0204101696 Beijing XINHUA Domestic Service  
in Chinese 1532 GMT 6 Mar 96

[By XINHUA reporters Zhou Liang (0719 0081) and Duoqi Zhandui (1122 0679 0594 1018) and RENMIN RIBAO reporter Liu Gongjian (0491 1562 6432)]

[FBIS Translated Text] Beijing, 6 Mar (XINHUA) — This morning, Hu Jintao, CPC Central Committee Political Bureau Standing Committee member and Secretariat member, joined National People's Congress deputies from Tibet in discussing Premier Li Peng's "Report on the Outline of the 'Ninth Five-Year Plan' for National Economic and Social Development and the Long-Term Target for the Year 2010."

Deputies took the floor one after another during the discussion. As he listened attentively to their views, Hu Jintao took notes, frequently broaching issues for discussion with them. The atmosphere at the meeting place was enthusiastic and harmonious.

Gyalcan Norbu, Tibet Autonomous Regional People's Government chairman, said: The "Eighth Five-Year Plan" period was one of the fastest development in Tibet's history. In 1995, in particular, the region's total output of goods and services grew by 10.6 percent, the first time that the growth rate exceeded the double-digit range. Currently, Tibet enjoys social stability, and its people are living and working in peace and contentment. Deputy Caiwang Bandian from Nyingchi Prefecture said: The principles of speeding up social and economic development in west-central regions, promoting economic development in minority regions, and solving the problem of feeding and clothing poor people in rural areas enjoy immense support among peasants and herdsmen in Tibet. People in Tibet firmly oppose actions aimed at splitting the motherland. Only in the big family of the motherland will Tibet be able to develop more rapidly and cast off poverty and achieve a comfortable standard of living at an early date.

In his speech, Hu Jintao fully affirmed Tibet's achievements in all fields of work over the past year. He said: After hearing your speeches, I am pleased with Tibet's achievements during the "Eighth Five-Year Plan" period and inspired by Tibet's development prospects. Thanks to the kind attention of the party Central Committee and the State Council, and the full support of fraternal provinces, autonomous regions, and municipalities, the Tibet Autonomous Regional Party Committee and Government earnestly implemented the guidelines of the third central conference on work in Tibet and mobilized

people of all ethnic groups across the region to work hard in unity. Tibet's current situation is very good as it enjoys economic development, political stability, ethnic unity, and social progress, and its people are living and working in peace and contentment.

Speaking of the great practice of reform, opening up, and socialist modernization within the context of Tibet's reality, Hu Jintao said: The Outline of the "Ninth Five-Year Plan" and the Long-Term Target for the Year 2010 was formulated on the basis of analyzing in depth the domestic and international situation, summing up historical experience, and drawing on the collective wisdom of the entire party and people across the country. Besides embodying the spirit of the "Proposal" of the Fifth Plenary Session of the 14th CPC Central Committee, it sets forth goals, guiding principles, major tasks, policies, and measures for the next five to 15 years, and demonstrates our country's bright prospects for socialist modernization by the turn of this century and in the early part of the next century. Its approval will surely inspire and encourage the entire party and people of all ethnic groups across the country to score new successes in reform, opening up, and socialist modernization.

Hu Jintao stressed: Upholding Comrade Deng Xiaoping theory of building socialism with Chinese characteristics and unswervingly adhering to the party's basic line are the most important political guarantees for achieving our cross-century, magnificent goals. We must gain a full and correct understanding of this theory and line and implement them in our work and actions. In particular, on matters that have a bearing on our overall situation, political orientation, and cardinal principles, cadres at all levels must keep a cool head and take a clear-cut stand to ensure smooth progress in reform, opening up, and socialist modernization.

**PRC: Leaders Discuss Li Peng Report at NPC**

OW0204062696 Beijing XINHUA Domestic Service  
in Chinese 1415 GMT 8 Mar 96

[The following is a fuller version of the item titled "Qian Qichen, Chi Haotian Discuss Taiwan at NPC," which appears in the 1 April China DAILY REPORT, page 17]

[FBIS Translated Text] Beijing, 8 Mar (XINHUA) — On 8 March, delegations to the Fourth Session of the Eighth National People's Congress (NPC) continued to hold group discussions on Premier Li Peng's report. Li Lanqing, Li Tieying, Wu Bangguo, Jiang Chunyun, Qian Qichen, Huang Ju, Wei Jianxing, Xie Fei, Wen Jiabao, Wang Hanbin, Chi Haotian, Ren Jianxin, Ni Zhifu, Sun Qimeng, Wang Bingqian, Buhe, Song Jian,

Chen Junsheng, Ismail Amat, and Luo Gan, leading comrades of the CPC Central Committee, NPC Standing Committee, and State Council, continued to join various delegations' discussions.

**Li Tieying Said It Is Necessary To Let Reform Play a Dominant Role in the Overall Situation To Promote the Development of Various Undertakings**

While participating in the Hubei delegation's discussion, Li Tieying, CPC Central Committee Political Bureau member and state councillor, stressed: The key for China to solve all its problems lies in relying on its own development. Reform is the driving force for development. Only by accelerating and intensifying reform can we solve the profound contradictions impeding economic and social development. It is necessary to let reform play a dominant role in the overall situation to promote the development of various undertakings. What is crucial in the Ninth Five-Year Plan period is bringing about two changes.

Li Tieying said that as reform of the economic structure is being deepened, many problems have involved deep-level social interests and social contradictions. In the final analysis, the solutions to these problems depend on deepening reform of the economic structure.

He said Premier Li Peng put forward five key tasks of reform in his report, and these five tasks are the focus for initially establishing the socialist market economy. The crucial thing is to invigorate the state-owned economy. We must, in accordance with the "four sentences [si ju hua 0934 0658 6114]," energetically promote the modern enterprise system, implement comprehensive reform and strategic reorganization of existing enterprises, and, through "three reforms and one strengthening [san gai yi jia qiang 0005 2395 0001-0502 1730] and changing mechanisms and establishing systems, increase production capacity and improve economic efficiency so that the state-owned economy and the collective economy can become the main body of the socialist economy, and public ownership can finally develop and become powerful.

Li Tieying said the tasks of reform during the Ninth Five-Year Plan period are to speed up the establishment of a new structure, put an end to the double-track system, and initially establish a new socialist structure. The tasks of reform are heavy and time is pressing. We must seize opportunities, push forward the whole, make comprehensive supplement, give prominence to priorities, and emphasize construction.

**Jiang Chunyun Said It Is Necessary To Concentrate Efforts on Tackling Difficult Problems in Helping the Poor**

While participating in the Guizhou delegation's discussion, Jiang Chunyun, CPC Central Committee Political Bureau member and State Council vice premier, said that proceeding from the reality of Guizhou, it is necessary, at present and for some time to come, to seize opportunities, regard shaking off poverty and forging ahead toward a relatively comfortable life as the dominating factor of the overall situation, continue to make great efforts to develop agriculture and readjust and optimize production structure, and promote sustained and rapid economic development [jing ji di chi xu kuai su fa zhan 4842 3444 4104 2170 4958 1816 6643 4099 1455].

In view of the situation in Guizhou Province, Jiang Chunyun pointed out in his speech that it is necessary to make unremittingly efforts to construct water conservation works, improve conditions for agricultural production, and increase the comprehensive production capacity of agriculture. It is necessary to mobilize the masses to tackle problems concerning mountains and rivers, grasp firmly the work to change slopes into terraced fields, build small water conservation projects, plant trees to form forests, and improve low- and medium-yield fields; seriously implement the strategy of invigorating agriculture with science and education, and energetically spread applicable advanced technology; and readjust and optimize production structure, gradually promote integrated management of farming and stockbreeding, and improve, by a big margin, the entire efficiency of agriculture and the rural economy.

Jiang Chunyun hoped that Guizhou would concentrate its strength on tackling difficult problems in helping the poor, adhere to the principle of integrating state assistance to the poor with mobilizing the broad masses to rely on themselves and to do hard work, and realize as soon as possible the goal of helping 8 million poverty-stricken people in the whole province to shake off poverty.

**Qian Qichen Said We Must Deal a Blow to the "Taiwan Independence" Plot**

While participating in the Taiwan delegation's discussion of Premier Li Peng's report, Qian Qichen, CPC Central Committee Political Bureau member and State Council vice premier, said that the Taiwan issue is China's internal affair. Our consistent policy on the Taiwan issue, namely "peaceful reunification" and "one country, two systems," will not change. President Jiang Zemin's and Premier Li Peng's speeches on the peaceful reunification of the motherland fully explained this



point and are very much welcomed by all the Chinese people.

Qian Qichen said the major obstacle in the Taiwan issue comes from some people in the international community who are unwilling to see China become powerful and reunified and from the pro-Taiwan independence force existing on the island of Taiwan. Peaceful reunification is in the interests of the people on both sides of the Taiwan Strait. Presently, some people on Taiwan and some people in the international community who are hostile to China are attempting to stir up a Taiwan independence incident to break through the framework of "one country, two systems" and to split China. We must deal a blow to this plot [wo men bi xu da ji zhe yi yin mou 2053 0226 1801 7312 2092 2345 6638 0001 7113 6180]. Our attitude toward this issue is resolute and clear-cut. As far as the Taiwan people are concerned, the true danger comes from Taiwan independence and foreign forces' intervention [wai guo shi li di gan yu 1120 0948 0528 0500 4104 1626 7315]. We place our hope for peaceful reunification on the Taiwan people. We firmly support anyone who stands for reunification and is in favor of "one country, two systems" and against foreign forces' intrusion [ru qin 0354 0187], and are resolutely opposed to anyone who takes the road of Taiwan independence, is against peaceful reunification, and relies on foreign forces.

Today, Qian Qichen also discussed Premier Li Peng's report with the Hebei delegation.

**Wen Jiabao Says It Is Necessary To Grasp the Overall Situation of Grain Production and Promote Sustainable Agricultural Development**

While participating in the Gansu delegation's discussion, Wen Jiabao, CPC Central Committee Political Bureau candidate member and CPC Central Committee Secretariat secretary, emphasized that it is necessary to grasp the overall situation of grain production, thoroughly tap the potential, give play to strong points, and promote sustained agricultural development.

Wen Jiabao said that with less than 20 percent of the total farmland in Gansu, the Hexi area has provided more than 70 percent of commodity grain by the entire province. The development of the Hexi area and the construction of the commodity grain base there are of decisive importance to the grain production of Gansu. Viewed from Gansu Province, getting hold of the large-scale irrigated areas in Hexi and several other places means getting hold of the overall situation of grain production for the entire province. It is necessary for Gansu to thoroughly tap its potential, develop strong points, and make use of the opportunity granted by the state in its listing of the construction of the commodity

grain base in the Hexi Corridor as a key development project in the Ninth Five-Year Plan period, to speed up agricultural development.

Wen Jiabao said the natural conditions in Gansu are relatively poor. From a long-term point of view, it is necessary to pay attention to protecting resources, protecting the ecological environment, and realizing sustainable development. He said that the first is to save water resources. Getting hold of the issue of water means getting hold of the fundamental thing of agriculture in Gansu. It is necessary to construct more medium and small water conservation projects, and to spread water-saving irrigation technology. The second is to improve the ecological environment. It is necessary to do a good job in water and soil conservation and in harnessing deserts through the construction of a shelter-forests system.

**Fujian Made Tremendous Contributions In Fulfilling the Great Cause of the Reunification of the Motherland**

While participating in the Fujian delegation's discussion, Chi Haotian, Central Military Commission vice chairman and state councillor, pointed out that Fujian has made and is making tremendous contributions to fulfilling the great cause of the reunification of the motherland. He said that Fujian Province has always taken a leading role in encouraging patriotism and support for the Army in China. Fujian Province has done a very good job in promoting unity between the Army and government and between the Army and people. "When the Army and people unite as one, they will be invincible."

Chi Haotian said that Premier Li Peng's report reaffirmed the Chinese Government's consistent stand on the Taiwan issue, and expressed the determination and confidence of the Chinese people to fulfill the great cause of the reunification of the motherland. We resolutely support his report. Taiwan has been an inalienable part of China since time immemorial. We are resolutely opposed to any attempt to create "two Chinas," or "one China and one Taiwan," or "Taiwan independence."

Chi Haotian stressed that some people of the Taiwan authorities incessantly scheme in a vain attempt to split the motherland, but they will never succeed. Our Armed Forces will never lower their guard as long as the motherland is not reunified. We resolutely implement the policy of "peaceful reunification" and "one country, two systems," but will never commit ourselves to renounce the use of force [jue bu cheng nuo fang qi shi yong wu li 0414 0008 2110 6179 2397 2757 0169 3938 2976 0500]. We must be well-prepared for two



options at all times [zuo hao liang shou zhun bei 0254 1170 0357 2087 0402 0271]."

**Ren Jian Said It Is Necessary To Safeguard Social Stability, and Ensure the Smooth Implementation of the Ninth Five-Year Plan**

While participating in the Shanxi delegation's discussion, Ren Jianxin, CPC Central Committee Secretariat secretary, said that development and reform must have a stable political and social environment. Without stability, we can accomplish nothing.

Ren Jianxin said that over the past few years, party and government leaders of various localities have done a lot of work to safeguard stability in accordance with the arrangements and requirements of the central authorities. However, we must also be aware that many factors of instability still exist within society and we must remain sober-minded toward this. Party and government leaders at all levels must thoroughly understand that safeguarding stability is a long-term strategic task and must, with a strong sense of political responsibility, mobilize the broad masses and rely on them, adopt effective measures, unremittingly safeguard stability while properly carrying out reform and economic construction, and ensure stability during their terms of office.

Ren Jianxin said: Our political and legal force is good. However, we must also attach great importance to some existing problems with the force that should not be ignored. In particular, the political and legal force is being eroded by some negative and corrupt phenomena. The violation of discipline and laws such as seeking personal gain through the abuse of power and taking bribes and bending the law is fairly serious. We must vigorously strengthen the development of ideology, organization, and style of the political and legal force to solve existing problems.

**Ni Zhifu Said It Is Necessary To Deepen Reform and Further Invigorate State Enterprises**

While participating in the Hubei delegation's discussion, Ni Zhifu, NPC Standing Committee vice chairman, stressed: It is necessary to deepen reform and further invigorate state enterprises.

Ni Zhifu said: To invigorate state enterprises, we cannot use just one method but should provide guidance in different areas and suit the methods we use to the situation. The existing problems of some enterprises are mainly caused by human factors, including low quality of enterprise leaders and low operations management standards. The proportion of these types of enterprises in deficit-ridden enterprises is not small. If problems can be pinpointed and properly solved, it is possible to greatly

reduce losses without large investments. The crux lies in selecting and distributing the right enterprise leaders who truly understand the market, possess management skills, depend on the people, and play an exemplary role.

Ni Zhifu stressed: It is necessary to prevent oversimplification when providing guidance to state enterprise reform. When proposing efforts to invigorate large enterprises and give greater freedom to small enterprises, we should not use only one method for invigorating large enterprises or leave small enterprises to operate as they please. We must provide specific guidance for both of them. To invigorate state enterprises, we must also promote and provide guidance in specialized production. We should draw on and promote the excellent experiences gained by some enterprises in specialized production.

**Sun Qimeng Said It Is Necessary To Ensure the Strategic Position of Education in Economic Development**

While participation in the Anhui delegation's discussion, Sun Qimeng, NPC Standing Committee vice chairman, said: The strategy of rejuvenating the nation through the application of science and education has embodied Comrade Deng Xiaoping's consistent ideology and is an important component of Deng Xiaoping theory of building socialism with Chinese characteristics. Realistically implementing this strategic ideology is a matter of fundamental importance for ensuring sustained, rapid, and healthy national economic development [guo ren jing ji chi xu kuai su jian kang fa zhan 0948 3046 4842 3444 2170 4958 1816 6643 0256 1660 4099 1455] and an inevitable path for revitalizing China.

Sun Qimeng said: To properly understand and implement this strategy, it is most important to have an accurate understanding of the relations between education and economics and between education and science and technology. To bring about healthy economic development, it is necessary to do a good job in education, affirm the strategic position of education in socioeconomic development, and affirm the close relations between education and economy. Only when effectively undertaking educational operations at various levels and categories can we continue to upgrade our national quality and workers' quality, provide reliable assurance and endurance for the development of productivity, and confidently achieve the objectives for national economic and social development. Meanwhile, scientific progress depends on education. The understanding of science and technology depends on people, while the training and distribution of personnel for science and technology depends on education. However, scientific and technologi-

cal development is one of the most direct driving factors for economic growth. Therefore, the strategy of rejuvenating the nation through the application of science and education is in reality aimed at invigorating the nation, centered on economy and science and technology, and established on education. We will form a "golden triangle" for revitalizing China by closely integrating economy, science and technology, and education.

**Wang Bingqian Said It Is Necessary To Have Political and Legal Assurance for Realizing a Majestic Blueprint**

While participating the Hebei delegation's discussion, Wang Bingqian, NPC Standing Committee vice chairman, said: It is necessary to have political and legal assurance for realizing the trans-century majestic blueprint put forward in the report.

Wang Bingqian said: By political assurance it means that we must safeguard central authority; strengthen ideology and organization; solidly establish the ideology of serving the people wholeheartedly; carry forward democracy; and bring every positive factor into play to provide a strong organizational assurance for economic development and socialist construction. Meanwhile, it is necessary to strengthen legal construction, rule the country in accordance with the law, and establish a socialist legal system to provide legal assurance for realizing the trans-century majestic blueprint. As long as we are politically stable and economically developed, and govern in accordance with the law, the nation will have long lasting peace.

**Buhe Said We Must Put in Great Efforts in Poor Aid Work**

While participating in the Inner Mongolian delegation's discussion, Buhe, NPC Standing Committee vice chairman, said: Premier Li Peng's report clearly points out that it is necessary to solve the problem of providing food and clothing for 65 million people and basically eliminating poverty during the "Ninth Five-Year Plan." This is a gigantic battle where great efforts are needed. First of all, it is an essential demand of socialism with Chinese characteristics to eliminate poverty and bring about common wealth. It concerns not only China's coordinated regional economic development, but also national unity.

Buhe said: The party and nation have always attached great importance to the development and construction of poor regions, and have adopted numerous policies and measures for solving the production and living problems of people in the poor regions. This has not only won great praise from the people, but has also attracted international attention, further enhanced the

cohesive and centripetal forces of various nationalities, and promoted continued consolidation and development of socialist national relations, which are equal, united, and mutually beneficial.

Buhe said: The crux for achieving victory in our battle in poor aid work lies in implementing measures and doing practical work. It is necessary to tackle key and difficult problems and dedicate our energies and go to poor regions to understand situations and ensure the implementation of measures. We must manage well poor aid funds, select correct projects, and efficiently use special project funds. It is necessary to further forge mutual assistance between the western and eastern regions and gear assistance to the particular needs of localities. We must extensively mobilize all sides to share and support poor aid work so as to make the job of helping the poor a good trend in the society.

**Chen Junsheng Said: Developing Several Large Grain-producing Provinces Is Significant to National Stability**

While participating in the Anhui delegation's discussion meeting, State Councilor Chen Junsheng said: Developing several large grain-producing provinces with stable grain output and high commodity rates into key commodity grain bases is significant to national economic development and national stability.

Chen Junsheng said: Anhui Province made great achievements in agricultural production last year. As Anhui has fairly good natural conditions, it should strive to make greater achievements in agriculture in the future. It should provide more commodity grains to the country and contribute to the growth in national grain output. First of all, to effectively develop agriculture, Anhui should work vigorously in water conservancy and do a good job in major projects such as harnessing the Huai He. Further, it should study the project of drawing Chang Jiang water into Huai He as well as enhance the capability to prevent drought and flood disasters to create good conditions for agricultural development.

Chen Junsheng said: For a large agricultural province like Anhui to develop into a strong agricultural province, apart from doing a good job in the production of major products such as grain, cotton, and edible oil, it should vigorously diversify and develop animal husbandry, forestry, fruit-farming, and tourism according to local conditions. In addition, it should develop village and town enterprises and strengthen the agricultural and sideline product processing industries that are suited to its market needs. Meanwhile, it is necessary to effectively distribute agricultural products and op-



erate well the supply and sales cooperatives, particularly rural grass-roots cooperatives. We must strive to closely link the vast number of peasants with the ever-changing market, promote agricultural commercialization, enhance comprehensive development for agriculture and rural economy, and continue to raise peasants' income levels.

**PRC: Jiang Zemin Holds Discussion With Jiangsu NPC Deputies**

*OW0304120996 Beijing XINHUA Domestic Service in Chinese 0625 GMT 7 Mar 96*

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391), RENMIN RIBAO reporter He Jiazeng (0149 0502 2973), and XINHUA reporter He Ping (0149 1627)]

[FBIS Translated Excerpt] Beijing, 7 Mar (XINHUA) — During discussions with deputies to the Fourth Session of the Eighth National People's Congress, Jiang Zemin, CPC Central Committee general secretary, state president, and Central Military Commission chairman, emphatically pointed out: The fundamental purpose of building socialism with Chinese characteristics is to wholeheartedly serve the people's interests. During the entire process of modernization, we should uphold an important principle — namely, in distributing economic benefits, we must first ensure that workers, peasants, and intellectuals will gain real benefits, that their living standards will improve steadily, and that they will fully enjoy the fruits of reform, opening up, and modernization. Only if the living standards of workers, peasants, and intellectuals improve overall, can we secure the broadest and most reliable popular base and source of motive force for our reform and construction.

On the afternoon of 6 March, Jiang Zemin and deputies from Hainan and Jiangsu jointly discussed Premier Li Peng's report and the draft outline. [passage omitted on speeches by Jiang and Hainan deputies per ref one] Jiangsu Delegation: Gaining New Experience, Making New Contributions [subhead]

During the discussion held by Jiangsu deputies, Deputy Chen Huanyou, Jiangsu Provincial CPC Committee secretary; Deputy Chen Xiangxing, Zhongshan Group general manager; Deputy Wu Renbao, Huaxi village party committee secretary; Deputy Yu Jingzhong, provincial people's congress standing committee vice chairman; Taizhou City Mayor Deputy Zhang Houbao; and Deputy Jin Zhongqing, Hehai University vice president, delivered speeches in turn. In discussing the report and the draft outline, some of the deputies reviewed Jiangsu's economic development and progress in spiritual civilization during the Eighth Five-Year Plan period. Some

discussed how state-owned enterprises should go about changing their operating mechanisms and invigorating themselves in keeping with market developments. Others expressed their views on effecting fundamental changes in the economic system and economic growth mode; maintaining sustained, rapid, and healthy national economic development; and promoting all-around social progress. Still others made suggestions on properly handling the relationship between environmental, social, and economic benefits.

After hearing their speeches, Jiang Zemin said: During the Eighth Five-Year Plan period, Jiangsu experienced rather rapid development. Its developments in many areas were at the forefront of the country. Judging by its economic might and existing base, it can and should maintain its rather strong momentum in development during the Ninth Five-Year Plan period and the next 15 years. I hope you will contribute more to fulfilling the cross-century, magnificent blueprint throughout the country.

Jiang Zemin pointed out: Over the past decade or so, Jiangsu has gained a wealth of valuable experience during the course of reform, opening up, and modernization. I hope you will continue to explore things in practice and gain more experience. He said: Comrade Deng Xiaoping clearly pointed out: We should achieve two leaps in rural development. As productive forces develop further, rural areas should gradually move toward new forms of collective and intensive operations while stabilizing and improving the household contract responsibility system with remuneration linked to output and the dual management system that combines household and collective operations. This is essential for realizing socialist modernization in rural areas. The rural economy in southern Jiangsu is evolving toward new forms of collective and intensive operations, and it is doing so with sound momentum. I hope you will continue to sum up experience in this respect and play a better exemplary and leading role in promoting rural development in other parts of the country.

He said: To build socialism with Chinese characteristics is to develop all aspects of socialism. This effort requires both advanced material and spiritual civilization. Jiangsu's Zhangjiagang has achieved gratifying results and gained valuable experience in promoting both material and spiritual civilization and in seeking common development. I hope you will pay attention to spreading this experience across Jiangsu and deepen the experience in the process.

Jiang Zemin stressed: Achieving changes in the economic system and economic growth mode is currently a major task in economic reform and development. In the



past, many localities achieved economic growth mainly through extensive operations, massive input, and expanded scale. Given today's new situation of reform, opening up, and modernization and faced with fierce social, economic, and scientific and technological competition in the world, we must thoroughly change this growth mode and embark on the path of mainly relying on scientific and technological progress and of improving worker quality. We should pay attention to developing pillar industries based on new and high technology, and concentrate essential financial, human, and material resources on carrying out intensive operations, raising economic returns through optimum-scale operations, and promoting the optimization of the industrial structure. Jiangsu can and should lead and spur on other regions in these respects. This is what the central authorities ardently expect of you.

**PRC: Liu Huaqing, Shandong NPC Deputies Discuss Li Peng Report**

OW0204123296 Beijing XINHUA Domestic Service in Chinese 0827 GMT 9 Mar 96

[By RENMIN RIBAO reporter Chen Songqing (7115 7313 3237) and XINHUA reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 9 Mar (XINHUA) — This morning, Liu Huaqing, CPC Central Committee Political Bureau Standing Committee member and Central Military Commission vice chairman, joined National People's Congress deputies from Shandong in their discussion of Premier Li Peng's report. He stressed: We should do a better job of implementing the strategy of developing the country through science and education and strengthening the military through science and technology, and properly train, employ, and manage skilled personnel.

Deputy Zhao Zhihao chaired the discussion. Deputies Li Wenquan, Zhao Chuanxiang, Ba Zhongtan, Li Ge, Li Xuezhi, and Xi Lixin took the floor one after another. They stated their views and made suggestions on issues such as improving all facets of public order, maintaining social stability and development, putting peasants' interests above all other tasks, raising people's defense awareness, expediting national defense modernization, reforming and developing supply and marketing cooperatives, changing leading cadres' work style, encouraging the practice of going down to the grass roots, and establishing a scientific personnel management system.

After listening to the deputies' speeches, Liu Huaqing said: Your discussions were serious, and you expressed excellent views regarding Premier Li Peng's report. Shandong is a large province with a glorious revolu-

tionary tradition. It made tremendous contributions during the war years. These contributions are lasting. Since the country introduced the program of reform and opening up, Shandong has developed rapidly in all fields. Its changes in recent years have been enormous, with new progress in the development of industry, agriculture, and village and town enterprises. In recent years, the people of Shandong have made tremendous contributions to national defense and army building. The party Central Committee and the State Council are satisfied with Shandong's work.

Liu Huaqing said: Shandong has vast potential for development. Its strategy of developing itself into a "land-based" and "sea-based" province is excellent and promising. In your speeches, you expressed excellent views regarding agriculture and rural work. Since agriculture is the foundation of the national economy, we must give priority to it in our economic work and do a good job in this respect.

Speaking of the relationship between reform, development, and stability, Liu Huaqing said: Shandong's earnest efforts to stabilize the situation in recent years have resulted in social stability. Stability is essential for reform and opening up. Only stability will guarantee smooth progress in reform and economic and social development. We should further improve all facets of public order and the work style of leading cadres.

Liu Huaqing said: Scientific and technological personnel are essential for developing agriculture through science and technology, developing the country through science and education, and strengthening the military through science and technology. Comrade Deng Xiaoping has always stressed the need to respect knowledge and skilled personnel. They hold the key to the success of our endeavors. We should properly train, employ, and manage skilled personnel. We should pay special attention to bringing into full play the role of personnel studying abroad, and to arousing their initiative in plunging into the mighty torrent of socialist modernization.

This afternoon, Liu Huaqing participated in a group discussion with People's Liberation Army deputies.

**PRC: Qiao Shi Joins Henan NPC Discussion on Enterprise Reform**

OW0204132596 Beijing XINHUA Domestic Service in Chinese 1305 GMT 9 Mar 96

[By reporters Zhao Peng (6392 7720) and Wang Amin (3769 7093 2404)]

[FBIS Translated Text] Beijing, 9 Mar (XINHUA) — When Qiao Shi, standing committee member of the CPC

Central Committee Political Bureau and chairman of the National People's Congress Standing Committee, took part in a discussion held by the Henan delegation today, he stressed it is necessary to think hard, handle tasks in a down-to-earth manner, and practically accelerate the reform of state-owned enterprises.

Deputies revolved their enthusiastic discussion around ways to successfully carry out the reform of state-owned enterprises during today's deliberation. Deputies Tang Guangyu, Li Chao, Zhu Youwen, Hao Yanzhong, Yu Jiahua, Liu Bingyin, and Guo Anmin successively took the floor. They voiced their views and made suggestions. Deputies noted that: At present, state-owned large and medium-sized enterprises are encountering comparatively more difficulties. To solve them, it is necessary to deepen reform by gearing efforts to the needs of the market, improve management, readjust product mix and setup of production, step up application of scientific and technological achievements to enterprises' production, continuously increase enterprises' economic returns and enhance their competitiveness on the market, truly separate the administration of the government from the management of enterprises, expedite the establishment of a social security system, and thus create favorable conditions for the reform of enterprises.

After having listened to deputies' speeches, Qiao Shi said: "You have put forward a number of good opinions and suggestions in today's discussion. I quite agree with you."

Qiao Shi stressed: Successfully running state-owned enterprises and, in particular, the large and medium-sized enterprises is a major issue that has a bearing on the overall situation of the national economy. To resolve the issue, the most fundamental way out is to deepen reform, pay close attention to establishing a modern enterprise system, and enable enterprises to truly meet the requirements of developing a socialist market economy.

Qiao Shi said: Judging from the actual situation, we can see that deepening the reform of enterprises is, indeed, a job that brooks no delay. It has become more and more urgent. It is better that we do the job sooner than later. We must not let the progress of the job remain in the stage of meetings and documents; we must not wait or rely on help from others; and we must not expect a perfect, successful experience that can be used for reference, either. We must really think hard, do the job by ourselves, handle it in a down-to-earth manner, and solve specific problems, one by one, in the light of local realities. The experience gained by many localities shows that, so long as we rely on the masses as well as practice and have the courage to take responsibility,

we may explore a way through our work actually done. Now, while paying close attention to conducting experimental work, we may spread the methods proven basically workable by practice in local areas or in other areas in the light of actual conditions. We may also use the good methods of foreign countries for reference. We must treat the reform of state-owned enterprises as an important job and handle it accordingly; do the job in a down-to-earth manner; and produce successful results as quickly as possible.

Qiao Shi said: If enterprises want to gain a firm footing amid keen competition on the market and enjoy further development, they must make good use of trained personnel, including management personnel as well as scientific and technological personnel, and give full play to their role so that they may lead the vast number of staff and workers to continuously improve management and technology. We must make unremitting efforts to carry out technical transformation of enterprises. It is necessary to vigorously develop new products of good quality and at a higher price and make efforts to turn out products of excellent quality and famous brands. The success achieved by some localities, including some enterprises in Henan, also shows that, if enterprises have good technologies and products, they will prosper and expedite the development of other related enterprises. Some leading enterprises may invigorate many enterprises through merger and play a role in promoting the development of the entire sector. Qiao Shi stressed it is necessary to protect products of excellent quality and famous brands according to law and resolutely prevent and crack down on fake and shoddy products.

Touching on the issue of separating the administration of the government from the management of enterprises, Qiao Shi said that, according to the present situation, it may possibly be more realistic to begin the job with the grass-roots level and localities and explore through practice. Qiao Shi also spoke of his views on accelerating the reform of the social security system.

#### PRC: Sichuan Governor on Agricultural Development

OW0204142196 Beijing XINHUA Domestic Service in Chinese 1457 GMT 13 Mar 96

[FBIS Translated Excerpt] Beijing, 13 Mar (XINHUA) — Deputies attending the Fourth Session of the Eighth National People's Congress [NPC] successively put forward their views focusing on the major points of economic development during their deliberation of Premier Li Peng's report in the past few days. [passage omitted]



During a discussion of Premier Li Peng's report, Song Baorui, an NPC deputy and governor of Sichuan Province, said: The next five to 15 years should be a "golden period" for Sichuan to accelerate development. If Sichuan wants to invigorate its agricultural sector, it must closely rely on the six-character principle — "policy, input, and science and technology [zheng ce tou ru ke ji 2398 4595 2121 0354 4430 2111]"; stabilize the rural policy; establish a basic system for the protection of farmland; increase input in the agricultural sector; establish a system of investing in and financing the agricultural sector and perfect it; rationalize the prices of agricultural products; apply more scientific and technological achievements to agricultural production; do a good job in carrying out capital construction of water conservancy works on farmland [nong tian shui li ji ben jian she 6593 3944 3055 0448 1015 2609 1696 6080]; really lighten peasants' burden; and protect the enthusiasm of peasants.

Concerning industrial development, Song Baorui believed it is necessary to accelerate reform of state-owned enterprises, make efforts to bring about "two changes," vigorously foster the market, broaden our horizons, and boldly explore so as not to let the good opportunity slip by without turning it to account. [passage omitted]

**PRC: NPC Resolution on Outline of 9th 5-Year Plan**

OW0304082696 Beijing XINHUA Domestic Service  
in Chinese 1356 GMT 17 Mar 96

[Resolution of the Fourth Session of the Eighth National People's Congress on the "Outlines" of the Ninth Five-Year National Economic and Social Development Plan and the 2010 Long-Term Target — Adopted by the Fourth Session of the Eighth National People's Congress on 17 March 1996]

[FBIS Translated Text] Beijing, 17 Mar (XINHUA) — The Fourth Session of the Eighth National People's Congress [NPC] discussed and examined the State Council's "Outlines of the Ninth Five-Year National Economic and Social Development Plan and the 2010 Long-Term Target (Draft)," and deliberated on the "Report on the Outlines of the Ninth Five-Year National Economic and Social Development Plan and the 2010 Long-Term Target" which Premier Li Peng delivered at the session on behalf of the State Council. The session maintains that the objectives set for the next 15 years, and the guiding principles and the main assignments of — and the strategy for — national economic and social development, as well as the plans and measures for deepening the restructuring of the economic system and opening wider for the outside world stated in the "outline (draft)" and the report embody the spirit of

the Deng Xiaoping theory of building socialism with Chinese characteristics and that of the party's basic line, and reflect the fundamental interests and common aspirations of people of all ethnic groups in the country; and that they are all attainable through hard work. The session decided to approve the outlines and Premier Li Peng's report.

The session maintains that people of all ethnic groups in the country, following the course of building socialism with Chinese characteristics under the CPC's leadership over the past five years, have quite successfully accomplished the Eighth Five-Year National Economic and Social Development Plan, and achieved remarkable success in their national economic and social development. Consequently the national economy grew in a sustained and rapid manner [chi xu kuai su zeng zhang 2170 4958 1816 6643 1073 7022], the goal of quadrupling the gross domestic product by the end of this century was attained five years ahead of time, significant progress was made in restructuring the economic system, a general framework of opening up was created, the livelihood of people in urban and rural areas continued to improve, and all social causes developed in an all-around manner. However, the nation should be soberly aware that it should attach great importance to the many problems and difficulties encountered in economic and social development and take effective measures to deal with them.

The session maintains: The next 15 years will be an important period for the nation to inherit the past and usher in the future while proceeding with its reform, opening up endeavor, and socialist modernization drive. The "outlines" is a grand blueprint for China's comprehensive, cross-century economic and social development, as well as an action program for accomplishing the second-step strategic goal of the socialist modernization drive and for making a giant stride toward the third-step strategic goal. To ensure smooth implementation of the "outlines," people of all ethnic groups, all state organs, the armed forces, all political parties and social groups, and all enterprises and institutions in the country must display a high sense of historical responsibility and sense of urgency of the time, and work earnestly with one heart and one mind.

The session maintains: To achieve the objectives set in the "outlines," the nation must always adhere to the Deng Xiaoping theory of building socialism with Chinese characteristics and the party's basic line; uphold the basic principle of "seizing opportunities to deepen reform, open up wider to the outside world, expedite development, and maintain stability;" earnestly follow through with the important principles stated in the "outlines" for guiding the national economic and social development; properly handle the relationships among



reform, development, and stability; actively promote the fundamental change in the economic system and the change in the mode of economic growth; give full scope to the role played by market mechanisms; tighten and improve macroeconomic regulation and control; and make earnest efforts in dealing with the major issues which have a close bearing on the overall performance of reform and development.

The session maintains: To maintain a sustained, rapid, and healthy [chi xu kuai su jian kang 2170 4958 1816 6643 0256 1660] national economic development, agriculture must be considered as the top priority in developing the national economy. To Develop and create a booming rural economy and ensure the output of basic agricultural goods — such as grain, cotton, and oil-bearing crops — will steadily increase, we should earnestly implement the Agriculture Law, earnestly strengthen the role of agriculture as the foundation of the national economy, increase investment in agriculture, and strive to improve the basic conditions for agricultural production. We should follow through with the strategy of revitalizing agriculture through education in science, actively promote advanced techniques that have been proven effective, intensify the construction of water conservancy works, protect arable land according to the law, do a good job in building grain and cotton production bases, intensify agricultural development in an all-around manner, and make greater efforts in aiding poor areas. We should continue to deepen rural reform, and stabilize and improve various systems governing production responsibilities — especially the system under which household contracts are linked to output — as well as the two-tiered system which combines unified and independent management so that there will be conditions for gradually promoting sizable agricultural operations. We should, in a way appropriate to the local situations, continue to promote the establishment of village and town enterprises, and actively guide the rural areas' surplus labor force to relocate in an orderly manner. We should attach great importance to safeguarding the peasants' legitimate rights and interests, gradually narrow the price differences between industrial and agricultural goods, reduce the peasants' burdens, increase their incomes, and arouse and protect their initiative so as to consolidate the worker-peasant alliance.

The session states: We should actively promote industrial restructuring, continue to strengthen infrastructure and basic industries, make great efforts to revitalize the pillar industries, and actively develop tertiary industries. To stabilize the macroeconomy and ensure revenues and expenditures are basically balanced, we should continue to regard inflation control as the top priority of macroe-

conomic regulation and control. To rationalize the distribution of the nation's economic establishments, we should provide various regions with guidance so their economies will develop in a coordinated manner. While encouraging the eastern part of the country to demonstrate its strengths, we should attach greater importance to supporting development in central and western parts of the country and exert positive efforts to narrow the gap between different regions. We should make constant efforts to improve the living standards of people in urban and rural areas on the basis of achieving higher economic growth and productivity. We should intensify efforts to modernize national defense so that the nation will have a stronger defense.

The meeting stressed: It is necessary to expedite the restructuring of the economic system, focusing on enterprise reform. To speed up the pace of building a modern enterprise system, we should, proceeding from actual needs, continue to emancipate our minds, be brave in taking practical actions, and actively explore. While restructuring state enterprises, we should focus on improving the national economy as a whole, give priority to the main issues, and provide guidance according to their different natures. We should carry out reform, reorganization, and restructuring of enterprises along with improving their management, combine their internal reform with external and supporting reforms, and rely wholeheartedly on the working class in running the enterprises properly. We should actively promote the reform and development of collective enterprises so as to strengthen the collective economies. We should continue to develop the independent-, privately-operated, and other nonpublicly-owned economies and provide them with stronger guidance and supervision so they can supplement the socialist public-owned economies. Within the bounds of state laws, we should actively nurture and develop a consolidated market system which is open and under which operators can engage in fair competition. We should uphold and improve the distribution system under which various forms of distribution will coexist with remuneration made according to work, rationally adjust individual incomes, speed up reform of the social security system, and establish a sound social security system which is compatible with the nation's situation. In accordance with the requirement of developing the socialist market economic system, the government should earnestly change its functions, upgrade its management and improve its efficiency so that the state will be more capable of exercising macroeconomic regulation and control. We should continue to uphold the opening up policy, take full advantage of the resources and markets at home and abroad, continue to open wider to the outside world, and upgrade the level of opening up.

The session states: We should earnestly carry out the strategy of building a stronger country through science and education and the strategy for achieving a sustainable development. We must expedite scientific and technological progress, give priority to educational development, arouse the enthusiasm of scientists and teachers, and expedite the integration between science, technology, and education on the one hand and the economy on the other. To strictly control population growth, governments at all levels must continue to attach importance to promoting planned parenthood, and uphold the basic national policy concerning planned parenthood. Earnest efforts must be made in protecting the ecological environment, and rationally developing and utilizing resources so that economic construction can proceed harmoniously with the development of resources and environmental protection.

The meeting stresses: To accelerate the progress in all social sectors, it is imperative to place greater emphasis on promoting socialist culture and ideology and building a democratic legal system. It is necessary to intensify ideological, moral, and cultural construction; and continue to promote ideological education in patriotism, collectivism, and socialism. To improve the citizens' physical health, we must develop public health services and sports. We must continue to promote the restructuring of the political system to build and improve our socialist democracy, and safeguard the people's rights as the masters of their own house. The government must rule the country lawfully [yao yi fa zhi guo 6008 0181 3127 3112 0948], actively promote the process of building a socialist legal system, intensify law making, enforce all laws strictly, make constant efforts in heightening the concept of the law and the legal system among the vast number of cadres and people, and strive to build a state with a socialist legal system. Efforts to promote administrative ethics and fight against corruption must be intensified. All state organs and state functionaries must establish close ties with the masses, serve the people wholeheartedly, work diligently, shun empty talk, combat bureaucratism and formalism, do away with fraud and falsehood, and strive to conserve resources and oppose extravagance and waste. To safeguard social stability and national security, powerful measures must be taken to crack down on all forms of crime according to the law and control public offenses in a comprehensive manner. To safeguard the unity of our motherland and ensure common prosperity among people of all ethnic groups, we must safeguard and develop our socialist ethnic relations characterized by equality, solidarity, and mutual assistance; make greater efforts in supporting ethnic minority regions; and uphold and improve the autonomy of ethnic minority regions.

The session points out: The country will soon resume exercising sovereignty over Hong Kong and Macao one after another. That will be an important landmark in the process of achieving our motherland's reunification. Positive preparations must be made to ensure a smooth transition and transfer of political power, and to maintain long-term prosperity and stability in Hong Kong and Macao. In light of the principle of "peaceful reunification; one country, two systems," positive efforts must be made to promote the development of relations between the two sides of the Taiwan Strait and expedite our motherland's reunification cause. The Taiwan issue is strictly China's internal affair, which brooks no interference by foreign forces under any excuse or in any form. The Chinese Government and people have the determination and the ability to safeguard the country's sovereignty and territorial integrity, and will absolutely not permit Taiwan to be separated from the motherland. The session calls on all Chinese people, including countrymen in Taiwan, to join hands and work hard together to achieve the motherland's total reunification at an early date.

The session notes: The world today is still undergoing complex and profound changes. World peace, national stability, economic growth, and human progress have now become the main theme of the contemporary world. China will continue to firmly uphold an independent diplomatic policy of peace, develop friendly and cooperative relationships with all countries, and work hard to establish a just, rational, and new international political and economic order. China is an important force in safeguarding world peace and regional stability. The Chinese people will join people of other countries in making contributions to building an even better world.

The meeting stresses: The year 1996 is the first year for launching the Ninth Five-Year Plan. Accomplishing all projects for the year is essential for accomplishing the Ninth Five-Year Plan and the 2010 Long-Term Target. Governments at all levels must plan and launch all their projects around changing the economic system and the mode of economic growth, and make genuine efforts in following through with all the general and specific policies that have been set.

The session exhorts: Under the guidance of the Deng Xiaoping theory of building socialism with Chinese characteristics and that of the party's basic line, people of all ethnic groups in the country should rally closely around the party central committee with Comrade Jiang Zemin as the core, work with one heart and one mind, be determined to build a country of order [li jing tu zhi 0536 4737 0596 3112], exert strenuous efforts in launching all undertakings, press forward with an



exploratory spirit, and strive to accomplish the grand missions prescribed in the "outlines."

### Political & Social

#### PRC: Jiang Zemin, Li Ruihuan at CPPCC Discussions

OW0204144796 Beijing XINHUA Domestic Service in Chinese 1408 GMT 4 Mar 96

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporter Zhu Youdi (2612 1635 2769)]

[FBIS Translated Text] Beijing, 4 Mar (XINHUA) — This afternoon, Jiang Zemin, CPC Central Committee general secretary, and Li Ruihuan, National Chinese People's Political Consultative Conference [CPPCC] Committee chairman, went to the Xiangshan Hotel to visit CPPCC members attending the Fourth Session of the Eighth National CPPCC Committee. They also participated in group discussions with the Revolutionary Committee of the Chinese Kuomintang and the Jiusan Society, during which they heard CPPCC members' views and suggestions regarding the National CPPCC Committee Standing Committee's work report and major state policy decisions. Jiang Zemin said: "Today is the Lantern Festival. First, I would like to offer my belated New Year's greetings to you on behalf of the CPC Central Committee and the State Council. I wish you good health and success in work during the new year."

In his speech, Jiang Zemin said: Over the past year, the National CPPCC Committee and their local counterparts have taken an active part in the discussion and administration of state affairs, made suggestions, and offered advice, keeping in mind the central task of the party and state and the overall situation of our work. They have made major contributions to promoting reform, opening up, economic development, all-around social progress, and the great cause of the motherland's reunification. The country's current situation is excellent, and so is the CPPCC's situation. The CPPCC has achieved new results in all areas of work, which have shown new signs. Upholding and perfecting the system of multiparty cooperation and political consultation under the CPC's leadership is an important political condition for building socialism with Chinese characteristics. The CPC Central Committee is very concerned with and vigorously supports the CPPCC's work. Party committees at all levels are earnestly implementing the "circular" issued by the CPC Central Committee early last year on strengthening the CPPCC's work, and are making further efforts to create conditions conducive to such work. It is hoped that CPPCC committees at all

levels will fully utilize their strengths, continue to open up new prospects in their work, and constantly make new contributions to socialist modernization under the unified leadership of party committees at all levels.

The Fourth Session of the Eighth National CPPCC Committee, which opened yesterday, held group discussions today regarding the work report delivered by Vice Chairman Ye Xuanping on behalf of the National CPPCC Committee Standing Committee. CPPCC members who took part in the group discussions of the Revolutionary Committee of the Chinese Kuomintang and the Jiusan Society stated their views frankly, sincerely, and enthusiastically [tan cheng re lie di 0982 6134 3583 3525 0966] regarding the CPPCC's work and future tasks.

Jiang Zemin and Li Ruihuan successively went to the meeting rooms where the Revolutionary Committee of the Chinese Kuomintang and the Jiusan Society were holding group discussions. They listened to the speeches of CPPCC members Li Ganliu, He Luli, Zhu Peikang, He Shengtao, Li Wuwei, Wang Wenyuan, Huang Qixing, Wang Youhui, Ju Qingqi, Tang Limin, and Xie Lijuan. These CPPCC members spoke highly of the CPPCC's work over the past year and of the National CPPCC Committee Standing Committee's work report. They fully affirmed our country's achievements in reform, opening up, and modernization over the past year, and its progress in spiritual civilization. In addition, they offered many positive and sound views and suggestions on strengthening the supervisory functions of the CPPCC and democratic parties; on paying attention to and strengthening spiritual civilization; on improving the protection of water resources along the Chang Jiang and other water resources; on deepening the reform of state-owned enterprises; and on promoting the great cause of the motherland's reunification.

As they spoke, Comrade Jiang Zemin listened carefully and frequently took notes of the gist of their speeches.

After listening to their speeches, Jiang Zemin said: The speeches you just made were excellent and very enlightening. You are satisfied with the country's overall situation and are full of confidence in its future development. In judging the situation, we should fully affirm our achievements so that we have more confidence to keep moving forward. At the same time, we should clearly recognize existing problems and shortcomings if we want to improve our work and leadership standards. We are drawing on collective wisdom and strength in an effort to solve existing problems in a step-by-step manner.

Jiang Zemin said: The proposal of the Fifth Plenary Session of the 14th CPC Central Committee for for-



ulating the Ninth Five-Year Plan and the Long-Term Target for the Year 2010 is the crystallization of the collective wisdom of people across the country, including the CPPCC, various democratic parties, and people with no party affiliation. The Outline of the Ninth Five-Year Plan and the Long-Term Target for the Year 2010, submitted to the current National People's Congress (NPC) and CPPCC sessions for deliberation and discussion, makes more arrangements for economic and social development for the next five to 15 years in accordance with the guidelines of the CPC Central Committee's "Proposal." Charting and fulfilling this cross-century, magnificent blueprint will have a direct bearing on the prospect of our country's socialist modernization. In discussing the "Outline," I hope CPPCC members will express their views freely so that we can draw on collective wisdom and absorb all useful ideas. Jiang Zemin stressed: Besides promoting material civilization, we should conscientiously strengthen ideological and political education among cadres and people, promote spiritual civilization, build democratic and legal institutions, and improve public order and social morals.

Jiang Zemin said: The united front is an important magic weapon for our country's revolution and construction. It is also our political asset. During the period of the democratic revolution, the united front played an important role in helping us to unite all forces that could be united, to score victory in the revolution, and to build the New China. We should continue to use this magic weapon during the current process of pursuing socialist modernization and completing the great cause of the motherland's reunification. Moreover, we should make better use of this magic weapon in light of the new situation and new tasks.

In closing, Jiang Zemin expressed his ardent hope that CPPCC members, all democratic parties, industrial and commercial associations, and people with no party affiliation would continue to give full play to their role in administering and discussing state affairs and in exercising democratic supervision under the guidance of Comrade Deng Xiaoping theory of building socialism with Chinese characteristics and the party's basic line, and contribute more ideas and efforts to bringing about changes in the economic system and economic growth mode; carrying out reform, opening up, and modernization; and completing the great cause of promoting the motherland's reunification.

Comrade Li Ruihuan also spoke. He said: General Secretary Jiang Zemin's speech expounds the importance of the work of the CPPCC and the united front during the new period; fully affirms the achievements made in such work in recent years; and sets clear-cut demands for work in the new year. Everybody is inspired by his

speech. We should study Comrade Jiang Zemin's speech in earnest and do a better job of carrying out the work of the CPPCC and the united front.

Wu Jieping, NPC Standing Committee vice chairman and Jiusan Society Central Committee chairman; Wang Zhaoguo, National CPPCC Committee vice chairman; and Zhu Xun, National CPPCC Committee secretary general, participated in the discussions.

#### PRC: Jiang's Attempt To Revise Deng Line Draws Fire From Media

HK0304094496 Hong Kong SING TAO JIH PAO  
in Chinese 3 Apr 96 p A2

[Report by special correspondent Chen Chiu (7115 1432): "Jiang Zemin's Attempt To Covertly Revise Deng Line Draws Counterattacks from Media; New Explanation Given to His 'Paying Attention to Politics'"]

[PTS Translated Text for FBIS] A major change in political "orientation" has taken place among Beijing's top echelon. A recent RENMIN RIBAO commentary revised the connotation of CPC General Secretary Jiang Zemin's "paying attention to politics" that has been put forward for nearly six months as "providing a strong political guarantee for economic construction and social development," significantly diluting the ideology of "paying attention to politics."

An informed source disclosed the background of this subtle change, saying that Jiang Zemin recently adopted Wang Daohan's and other political think tankers' proposal to end ideological disputes in this manner in order to avoid ideological chaos that might occur again in the media.

While discussing the Ninth-Five Year Plan and target for the year 2010, last year's Fifth Plenary Session of the 14th CPC Central Committee built up the momentum of "paying attention to politics" as Jiang elaborately planned. On the one hand, Jiang personally showed up on many occasions to talk a great deal about "the need to pay attention to politics." On the other hand, the experience of Zhangjia Port was introduced and promoted, and several provincial governors and ministers also published their articles in the major media, expounding their understanding of "paying attention to politics."

Organization Department Head Zhang Quanqing said: Paying attention to politics means "persisting in the correct political orientation," "resolutely safeguarding national sovereignty and interests, and constantly guarding against the conspiracy by the western hostile forces to 'westernize' and 'split' us." Water Resources Minister Niu Maosheng stressed: "Paying attention to politics

calls for the need to ideologically and politically identify with the CPC Central Committee with Comrade Jiang Zemin as the core." Cheng Weigao, secretary of the Hebei Provincial CPC Committee, felt that as some local officials neglect politics, and certain leaders act as they please and just carry out the central and higher authorities' policy decisions they like but not those they do not like.

The informed source from Beijing pointed out: By bringing up "paying attention to politics" again, Jiang Zemin wanted to fully consolidate his core position of the third generation leadership and to quietly revise Deng Xiaoping's line of reform and opening up and principles focusing on economic construction.

Things turned out contrary to his wishes. As "paying attention to politics" became a hot topic, an ideological debate over "capitalism" and "socialism," which had quietened down for four years, was sparked again. The most typical figure is Deng Liqun, dubbed "the king of leftists," who expressed his views in more than 10,000 characters and raised several questions about the reform and opening up line that has been implemented for more than a decade. Meanwhile, a large number of articles that had a strong color of ideology could also be seen in various official newspapers.

It is understood that Wang Daohan, former secretary of the Shanghai Municipal CPC Committee, who is known as an "adviser" to Jiang Zemin, brought up this question with Jiang during the Spring Festival. After that, articles on "paying attention to politics" gradually disappeared from the official media.

It was disclosed that the RENMIN RIBAO article dated 1 April, which was signed by "Ren Zhongping" (means the central commentary team for RENMIN RIBAO), focuses on giving a new explanation to the connotation of Jiang Zemin's "paying attention to politics," that is, "defining economic construction as the party's central and political task in the new period and wholeheartedly engaging in four modernizations as 'the greatest politics' at present."

Zheng Bijian, deputy head of the Propaganda Department under the CPC Central Committee, who is in charge of theoretical affairs, indicated that it is necessary to clearly respond in theory to Deng Liqun's viewpoint in his "10,000-character article," otherwise there will be endless trouble for the future.

**PRC: Jiang's Urging 'Attention to Politics' Praised**  
*HK0304111096 Beijing RENMIN RIBAO in Chinese*  
 1 Apr 96 pp 1, 3

[Article by Ren Zhongping (0117 0112 1627): "Powerful Political Guarantee for Economic Construction and Social Development—Studying Comrade Jiang Zemin's Speech 'Leading Cadres Must Pay Attention to Politics'"]

[PTS Translated Text for FBIS] With the approval of the Fourth Session of the Eighth National People's Congress, the "PRC's Outline of the Ninth Five-Year Plan for Economic and Social Development and the Long-Term Target for the Year 2010" has been implemented in an organized way. This is a magnificent cross-century project attracting worldwide attention. Launching such a magnificent project will comprehensively stimulate and promote changes and developments in all undertakings, and also calls for the concerted and vigorous efforts of the people of the whole country to provide various guarantees for accomplishing the project. Of all guarantees, the most important is the political guarantee, namely the guarantee provided by the political quality of leading cadres, especially senior leading cadres. At the Fifth Plenary Session of the 14th CPC Central Committee, which discussed how to formulate the Ninth Five-Year Plan and the Long-Term Target for the Year 2010, Comrade Jiang Zemin solemnly said leading cadres must pay attention to politics. In the subsequent period, Comrade Jiang Zemin stressed on many occasions that leading cadres, senior leading cadres in particular, must pay attention to politics, political orientation, political stance, political discipline, political responsibility, political sensitivity, and political discernment. This is because our great and difficult task of promoting economic construction and social development calls for a powerful political guarantee. Under the new situation, our leading cadres at all levels need to greatly upgrade their leadership skills. Comprehensively and penetratingly studying Comrade Jiang Zemin's speech, which shows great foresight and offers weighty advice, is of great importance to us in assessing the situation, having the whole situation well in hand, promoting reform and opening-up, and pushing forward economic construction and social development amid the complicated situation at home and abroad.

1

Persisting in making economic construction our central task is a strategic policy decision made by our party after profoundly analyzing historical experience. Facts have proved that this policy decision is entirely correct. We must not waver or relax on this for a moment. That economic construction calls for a political guarantee is



determined by the relationship between politics and economics. Economics serves as the foundation while politics gives concentrated expression to economics and reacts on economics. During socialist economic construction, any major economic issues involving overall, long-term, and basic interests are of political significance. At the same time we should be aware that economic development needs a powerful political guarantee and requires us to handle all relations of interests, including relations between various classes, relations within a class, relations between various regions, relations between various nationalities, and relations between various countries, from a high political plane, a political angle, and the angle of political power, political decree, and policy. The dialectical relations between politics and economics give us enlightenment as follows: One, since economics serves as the foundation, in the final analysis we must rely on economic development to solve all China's problems. If we failed to effect an upswing in economic construction, we would not be able to increase the overall national strength, and would also find it difficult to safeguard and consolidate state power, maintain and expand the superiority of the socialist system, and safeguard and increase the people's fundamental interests. Two, if we promoted economic development and cared about nothing else and failed to handle economic issues from a high political plane and political angle, we would cause economics to go astray and harm economic development, and consequently we could hardly achieve socialist modernization. It is precisely for this reason that we define economic construction as the party's central task and political task in the new period, and regard working for the four modernizations as the "most important politics" in the present period. In the meantime, our party's basic line makes upholding the four cardinal principles the most fundamental political condition for guaranteeing economic construction, reform, and opening up. As early as 1983, Comrade Deng Xiaoping reminded the entire party membership: "After the focal point of work has been shifted to economic construction, the whole party must explore ways to strengthen the party's ideological work and prevent the tendency of being engrossed in economic work to the neglect of ideological work in light of new conditions." Comrade Jiang Zemin also pointed out emphatically: "In engaging in the modernization drive, our central task is to develop the economy, but economic development must be provided with a political guarantee."

Economic development calls for a political guarantee. There is no exception to this in modern or ancient times, in China or elsewhere. After studying and analyzing the economic development of 41 developing countries over the last century, a famous Western economist discovered that "a most important explanatory variable

for economic development is political organization and the government's administrative ability." If a country did not have a powerful leading political party good at making policy decisions, making plans, and addressing economic problems, it would be difficult for it to develop its own economy and to put itself in an advantageous position in international competition.

In our country, the CPC's powerful leadership; the superior socialist system; the powerful people's democratic dictatorship; the fraternal unity of the people of all nationalities across the land; and the party's basic theory, line, and principles all constitute our political superiorities. Over the last decade and more, it was because we pooled these political superiorities and gave play to them that our socialist productive forces could grow rapidly, our overall national strength expand remarkably, and the people's living standards increase to a great extent. This is an extremely important and valuable experience which is worth keeping firmly in mind and which must be upheld for a long time to come.

In our socialist construction, the political guarantee for the economy mainly finds expression in the work of leading party and government cadres, especially senior cadres. The political quality, political integrity, and political ability of leading cadres, especially senior cadres, concerns not only the image of individual cadres, but also the quality, level, and efficiency of our party's administration of the country.

In the face of the new situation and new tasks, the ruling quality of our party and the political quality of leading cadres, senior cadres in particular, are undergoing a grim test. The magnificent and difficult cross-century project has been launched; the economic restructuring is being deepened; the interests pattern is being adjusted and changed; the main interests body [li yi zhu ti 0448 4135 0031 7555] is being diversified; the contradictions between countries are intricate and complicated; and the competition between various countries regarding their overall national strength is becoming more and more bitter. All these call for further upgrading our party's ruling skills and bringing up a contingent of politically sound leading cadres.

In the present period, to improve cadres' political quality to further provide a political guarantee for economic development and social development we must pay special attention to four requirements: One, upholding the socialist political orientation; two, firmly holding to the political stance and viewpoint of having faith in, relying upon, and serving the masses; three, continuing to study theory to increase theoretical firmness and political firmness; and four, increasing awareness of the overall interests, raising the level of the ruling party's



basic line and principles, conscientiously safeguarding the authority of the CPC Central Committee with Comrade Jiang Zemin as the core, and keeping in step with the party Central Committee politically.

## II

To provide a political guarantee for economic construction and social development, first there must be a guarantee in terms of orientation. In paying attention to politics, it is most important and fundamental for leading cadres to hold on to the socialist orientation. Comrade Deng Xiaoping has stressed many times: "When engaging in modernization, China should only rely on socialism rather than capitalism. Without socialism, the construction, reform, and rejuvenation of the Chinese nation would become empty talk. In holding on to the socialist orientation, it is necessary to repudiate the idea of wholesale Westernization and, at the same time, discard an unscientific understanding of socialism. The socialism we uphold must be socialism with Chinese characteristics conforming to the reality in China; the political orientation we hold on to is the orientation of building socialism with Chinese characteristics and constantly pushing ahead socialist theory and practice.

The theory and practice of building socialism with Chinese characteristics represent a major contribution of our party. After going through innumerable hardships and experiencing untold difficulties and setbacks, our party has summed up experiences and lessons in socialist practice at home and abroad. Not only has it successfully built socialism in its own land but it has confirmed, in terms of theory, that our socialism at the present stage is socialism at the initial stage and is socialism with Chinese characteristics conforming to the reality in China. It has defined its "coordinates" at the intersection between historical longitudinal and realistic latitudinal lines. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, which represents the latest achievement in integrating Marxism with China's reality, is the Marxism of contemporary China and the basic theory of our party. The key content of this theory is a new summation of the essence of socialism: "The principle of socialism is first, to develop production and, second, to get rich together." "The essence of socialism is to liberate the productive forces, develop the productive forces, wipe out exploitation, eliminate polarization, and eventually achieve common prosperity." "Developing production" is the growing point of socialist material and spiritual wealth and is the most basic practice with which the people in their hundreds of millions build a socialist new life and realize common prosperity. "Getting rich together" is the value objective of socialism and concerns the fundamental interests of the masses. These form an organic entity, conditioning

and promoting each other. With this as a nucleus, a complete set of principles and policies which are adapted to it has been developed. They include taking development of production as the center, taking socialist public ownership as the main body, with the joint development of a diversified economy, taking the socialist system of distribution according to work as the principal method of distribution, allowing some people and areas to get rich ahead of others, and wiping out polarization and eventually achieving common prosperity. Socialism with Chinese characteristics is a magnificent objective of struggle and, at the same time, a fresh, complete ideological and theoretical program and a vigorous activity of socialist practice. Socialist theory with Chinese characteristics enables the socialist system to radiate vitality, earn prestige, and bring the greatest material benefit to the state and the people.

Our country's system is a socialist system, our modernization is a socialist modernization, and the market economy we are building and developing is a socialist market economy. Socialism is the direction and life of our undertaking. Comrade Deng Xiaoping said: "The four modernizations in the minds of some people are different from ours. The four modernizations in our minds are the socialist four modernizations. They only talk about four modernizations without mentioning socialism. In so doing they have forgotten the essence of things and deviated from China's path of development. That makes a great difference. We should not make concessions on this issue." We must bear in mind that in reform we must hold on to the socialist orientation and prevent some comrades, especially some up-and-coming young and middle-aged comrades, from losing their bearings in the increasingly complex struggle.

It should be said that on the question of holding on to the socialist orientation, the overwhelming majority of our cadres have not "made concessions" but have become firmer. This is precisely the principal reason contributing to the attainment of major achievements in our cause. But we should also note that hostile forces at home and abroad do not want to see the emergence of a strong socialist China. In the wake of the disintegration of the Soviet Union and the drastic changes in Eastern Europe, some hostile forces in Western countries have enforced their political plots and ideological and cultural infiltration through "Westernization" and "division [fen hua 0433 0553]." But some of our comrades lack sufficient understanding of the need to pay attention to politics and orientation while taking economic construction as the center; they do not have the necessary capability to differentiate among the "kaleidoscope of colors" that has emerged under the new situation and they neglect politics and study, fail to keep a clear head or take a

firm stand in the face of unhealthy lifestyles and contamination of social mores, and fail to draw clear distinctions concerning cardinal issues of right and wrong. The question of orientation is not an abstract slogan; it is the basic principle guiding people's actions and permeating people's activities. For the general public, failure for a time to draw clear distinctions concerning cardinal issues of right and wrong is a question of intensive study and guidance; for leading cadres, especially senior cadres, who play an important role in the modernization drive, it is a matter of principle, and a slight ambiguity on this issue will lead to a loss of political orientation and bring serious harm to the cause of the party and the people. The question of orientation has a direct bearing on the success or failure of economic development and social progress and is vital to the life of our cause and the fundamental interests of the masses. Under no circumstances should we have the slightest vacillation on this issue.

### III

Socialist politics is the politics of the masses and not the politics of a small number of politicians. The mass viewpoint is the basic political viewpoint of our party and the mass line is the basic work line of our party. In paying attention to politics, leading cadres should uphold the mass viewpoint, implement the mass line, carry forward the historical creative initiative of the masses, and promote economic development and social progress.

In the view of historical materialism, the masses, as the creators of social wealth, are the basis of all state life; historical activities are the undertakings of the masses who are the fundamental force determining the outcome of history and the destiny of the state. But, only after the political party of the working class, which represents the fundamental interests of the masses, wields political power and only when the party and state leadership is firmly in the hands of those loyal to Marxism will it be possible to protect and realize the fundamental interests of the masses and to highly concentrate, unify, and give fuller play to the wisdom and strength of the masses. In this sense, politics concentrates not only the economy but also the fundamental interests, strength, and wisdom of the masses. Our responsibility is to help the masses understand their fundamental interests and to unite and lead them in fighting for their fundamental interests. Comrade Jiang Zemin recently stressed: "What is politics? Fundamentally speaking, a political issue is a question of attitude toward the masses and a question of the relationship with the masses." That is to say, if we forget the mass interests and the mass line, we will cast aside the foundation of politics and, fundamentally

speaking, ruin our politics and stifle our economic development and social progress.

The masses are the pioneers of history and the main force in reform and opening up. Many new things in reform and opening up are created by the masses. The overall implementation of the rural system of contracted responsibility for production with remuneration linked to output, the sudden rise of township and town enterprises as a new force, and the launching and deepening of the reform of state-owned enterprise structure are all the outcome of concentrating the wisdom of the masses and relying on their creativity and force. To uphold the mass viewpoint and implement the mass line, it is necessary to respect the pioneering spirit of the masses, closely rely on them, maintain close ties with them, listen to their voice at all times, understand their sentiments, represent their interests, pool their wisdom, more effectively develop the social productive forces, and create more material and spiritual wealth. To uphold the mass viewpoint and implement the mass line, it is necessary to be concerned about their needs, put ourselves in their positions, and work for their practical interests with all our hearts and all our might. We should be concerned about the long-term, fundamental interests of the masses, for which we should not begrudge our efforts, and never give up until we reach our goal; we also should be concerned about their immediate interests and work meticulously and solidly to this end. "Drizzle moistens things." We should not give up drops of water in favor of rivers and streams. In this way, our contingent of cadres and the masses will rely on each other as the water and the fish [as published], share weal and woe and always be full of vigor and vitality; our system and political power will be in an impregnable position thanks to the backing and support of the masses.

The great majority of our leading cadres are clearheaded and firm in caring for and respecting the masses and leading the masses to forge ahead, and they have made important contributions to China's cause of reform and opening up. But there are also a small number of leading cadres who forget to whom they owe their power. Their mass viewpoint and their sentiments for the masses are blunted. At any turn of events, they only care for their own interests. Seeking ease, comfort, and a life of pleasure, they are seriously divorced from the masses, and some have even practiced graft and bribe-taking and violated law and discipline. They have brought harm to the cause and have been cast aside by the masses. Our leading cadres must understand that the fundamentals and blood vessels of politics lie in the people and that all depends on their support, approval, and pleasure. We should regard whether or not we gain



popular support as a fundamental criterion for testing our politics. Those gaining popular support will flourish while those losing popular support will decline. We should always remember this.

The masses have defended our party and our people's political power with their life and blood. The purpose of our party is to serve the people wholeheartedly and the sacred duty of the people's political power is to realize and protect the people's interests. Our leading cadres, no matter how high their posts and seniority and how great their contributions, are all ordinary party members and citizens who should not sit high above the party and people but should consciously put into practice the purpose of wholehearted service to the people and consciously accept the supervision of the party and the masses. Whether a leading cadre is strong politically should be tested in practice and judged by whether he maintains close ties with the masses.

#### IV

To improve political quality and increase political consciousness, we must attach importance to theoretical study. We must mainly study well Marxism, Leninism, and Mao Zedong Thought, and Deng Xiaoping's theory on building socialism with Chinese characteristics in particular.

Theory is a rational generalization of the objective things in the objective world. It brings to light the essence of things and the laws governing development. It is a tool and weapon for understanding and transforming the world. Marxism treats scientific theory as a lever of historical development and revolutionary force of the greatest significance. Without theoretical thinking, it is impossible for a nation to scale the heights of the times. To avoid the danger of being a "clumsy leader," a leading cadre cannot but rely on the assistance of theory.

Politics is not only "concentrated economy," and "concentrated interests," but also coordination and control of practical contradictions of all kinds. To be politically strong, one should be good at grasping the essence and laws. One should be good at making coherent arrangements, doing things in order of importance and urgency, and finding key links and starting points. One should have the cardinal principles in mind, and take the overall and general situation into account. To do so, one needs theory. Only through mastering scientific theory can one control the general situation, and profoundly understand the political and social responsibility one shoulders. Only through mastering scientific theory can one have a discerning eye, discern various kinds of trends of thought, and make a clear distinction between right and wrong. Only thus can one have a firm political conviction and noble state of mind, get rid of vulgar in-

terests, and resist various kinds of material temptation. Only those who are theoretically sober and firm can be politically sober and firm, and become more powerful leaders. Some people are mediocre, busy with trivial matters and shortsighted, and fail to have the cardinal principles in mind. Some have no idea of how things stand, lack good plans, and are muddleheaded and incompetent. One of the important reasons for all this is that they do not understand theory.

Our era is an era which needs scientific theory. It is also an era which generates and develops scientific theory. The birth of Marxism was regarded as a magnificent rising of the sun in the history of the development of mankind. Thereafter, each and every development and contribution of Lenin, Mao Zedong, Deng Xiaoping and others to Marxism has opened up a new field of development for people to vigorously promote the process of human history. Since reform and opening up, Comrade Deng Xiaoping has repeatedly pointed out that the whole party must pay attention to study. He said: "What is fundamental is to study Marxism-Leninism-Mao Zedong Thought. We must make efforts to integrate the universal truth of Marxism with the specific practice of the four modernizations in our country." In recent years, the party's leading cadres have conscientiously studied Comrade Xiaoping's theory. This has played an important role in unifying ideological understanding and promoting various work. To push forward economic development and social progress under the new situation, we are facing more complicated contradictions. It is more difficult to understand and control the overall situation, and ourselves as well. We more urgently need theoretical guidance. Leading cadres at all levels, and senior cadres in particular, must not rest content with their scant theoretical knowledge. They must study theory systematically and apply it to practice in a creative way. In recent years, Comrade Jiang Zemin has repeatedly called on leading cadres, and senior cadres in particular, to read more books, and conscientiously study theory. He has urged taking "arming people with scientific theory" as an important task of our propaganda and ideological work. He hopes precisely that our cadre contingent will scale great new heights in improving its theoretical and political quality. If a leading cadre does not read books and newspapers, or study theory, he is bound to become a person bogged down in routine and trivial matters. In serious cases, he will become blind politically. We have received too many profound lessons in this regard.

#### V

To improve political quality and take more initiatives to promote economic development and social progress, we must increase our consciousness in understanding the



overall situation. We must have the vision of making a general survey of the overall situation, the capability to control it, and the consciousness of submitting ourselves to it.

The overall situation at different levels has different significance: The overall international situation at the world level; the overall situation in a country and its rank in the world; the overall situation in a locality or unit, and its rank in the country; and so on. Each and every locality, department and unit has its "coordinates" and "fulcrum" in the overall situation. Only by calibrating well their own "coordinates" and "fulcrum" can they handle politically various contradictions and coordinate various kinds of interests in a correct and forceful manner. Partial interests are subordinate to overall interests. The part is subordinate to the whole. Immediate interests are subordinate to long-term interests. Local authorities are subordinate to central authorities. These are our cardinal principles.

Our party's leadership over the state is a leadership which assumes responsibility for the overall situation. Our party's basic theory is a theory which assumes responsibility for the overall situation. Both historical and practical experience and views have determined the "fulcrum" of socialism with Chinese characteristics. The party's basic line is a line which assumes responsibility for the overall situation. In the area covered by the party's basic theory, the four cardinal principles and the two basic points of reform and opening up have formed a focus of taking economic construction as the center. The party's basic guideline is a guideline which assumes responsibility for the overall situation. Opportunity can disappear easily. We must grasp it firmly. Grasping opportunity firmly is a matter related to the overall situation. Our purpose in carrying out reform and opening up is to acquire new vitality. Otherwise, we will face a blind alley. Reform and opening up is a matter related to the overall situation. Only development passes the rigorous test of reason. Everything we do is for development, and is centered on development. Only development can solve problems. Development is a matter related to the overall situation. Stability is the prerequisite of reform, opening up and development. Without a stable environment, we can accomplish nothing. Stability is, of course, a matter related to the overall situation. Correctly handling their relationship and integrating them well is, still more, a matter related to the overall situation. Through the party's basic theory, line and principles the CPC Central Committee with Comrade Jiang Zemin as the core assumes responsibility for the overall situation to generate a powerful political strength.

At present, we are facing a favorable international and domestic situation. In our country, the political situation is stable, our economy is developing, our nationalities are united as one, and our society is progressing. Under the international situation with peace and development as the mainstream, our international status is being continuously enhanced. We are playing an increasingly greater role in international affairs. All these achievements are attributable to the unity and struggle of people of various nationalities under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core. Practice has proved that the CPC Central Committee with Comrade Jiang Zemin as the core is a mature and prestigious leadership collective. Generally speaking, to pay attention to politics, the most important thing which leading cadres must do is to defend the authority of the CPC Central Committee with Comrade Jiang Zemin as the core. They must keep fully in line with the CPC Central Committee politically to ensure that any order will be carried out, any prohibition will be heeded, and any government decree will be implemented. The requirement of paying attention to politics must run through the entire process of observing, analyzing and handling problems. We must keep a sober head and stick to a firm stand with regard to matters related to orientation and principle.

Stressing the need to pay attention to politics and emphasizing that economic construction must have a political guarantee does not mean returning to the beaten track of "armchair politics" and "allowing politics to override everything," as it has been distorted by certain media abroad. On the contrary, we must integrate politics more closely with the economy, vocational work, and various undertakings so that politics will become a more powerful cohesive and driving force to guarantee that various undertakings advance in the correct direction, are well organized, and surge forward more vigorously. It is because only by paying attention to politics can we guarantee that the party's basic theory, line, principles and various policies run through various work, and that we stick to a correct direction of development. Only by paying attention to politics can we mobilize, encourage and unite with people of various nationalities throughout the country to struggle hard to realize the magnificent cross-century projects of the party and the state. Only by paying attention to politics can we correctly understand and handle the two social contradictions of completely different natures, deal forceful blows at the sabotaging activities of domestic and foreign hostile forces and criminal activities, and create a fine social and political environment for economic development. Only by paying attention to politics can we properly handle various kinds of interest relations, arouse the enthusiasm of various quarters to

the maximum, and guide, protect and exploit well such enthusiasm. Only by paying attention to politics can we improve the ideological and political quality of the broad masses of cadres, and senior leading cadres in particular, to enable them to enhance their capability in assuming responsibility and controlling the overall situation, and increase their level of leadership over economic construction and modernization. Only by paying attention to politics can we stick to the purpose of serving the people wholeheartedly, guaranteeing the staunch unity of the party, and maintaining flesh-and-blood relations between the party and the people. Only thus can we make greater contributions to pushing forward economic development and the overall progress of society!

**PRC: Jiang Zemin Reportedly Visits Hu Yaobang Family**

*HK0304102696 Hong Kong PING KUO JIH PAO in Chinese 30 Mar 96 p A12*

[Article by Chang Yang-sheng (1728 2799 5110): "Jiang Zemin Appeases Hu Yaobang's Family Members"]

[PTS Translated Text for FBIS] During the Spring Festival this year, in addition to visiting party elder Deng Xiaoping, CPC General Secretary Jiang Zemin also paid a special visit to the family members of the late former General Secretary Hu Yaobang, who was removed by Deng.

An informed source from Beijing disclosed that as Hu Yaobang's wife Li Zhao did not attend a banquet that the CPC Central Committee held for elder cadres before the Spring Festival, Jiang Zemin kept this in mind and made special New Year calls on Li Zhao and Hu Yaobang's son Hu Deping during the Spring Festival.

Jiang Zemin began treating Hu Yaobang and his family with courtesy not just from today. During his inspection tour of Jiangxi in March last year, Jiang Zemin paid a special tribute to Hu Yaobang's grave and approved erecting a monument to him which will read "Open and Aboveboard, Selfless and Without Qualms." In addition, he ordered that the monument be built at the local government's expense.

Why is Jiang Zemin being so nice to Hu Yaobang? Beijingers say: Hu Yaobang has high prestige among the masses. As Jiang Zemin did not play a role in the "down with Hu incident," Hu Yaobang, who had already passed away, poses no threat to him. Treating Hu Yaobang with courtesy will do him no harm and will cultivate his own popularity. Why should he hesitate to do that?

On the other hand, as the 4 June incident was sparked by the death of Hu Yaobang, people from Beijing political circles hold that in addition to cultivating his popularity,

Jiang Zemin's attempt to appease Hu's family has to do with the 4 June incident. His order to countermand the "one-day martial law" and the "56 stirring days" indicates that this is not an isolated matter. In addition, it is said that Jiang Zemin recently ordered that a special unit be set up to study the 4 June issue.

Beijingers say that all these signs show that Jiang Zemin, who is "thoughtful and farsighted," has taken the 4 June incident as an important and sensitive question in consolidating his power in the late-Deng era and has actively planned for it.

**PRC: Li Peng Makes 'Surprise Visit' to Shenzhen**

*HK0204061896 Hong Kong EASTERN EXPRESS in English 2 Apr 96 p 13*

[By Christiaan Virant]

[PTS Transcribed Text for FBIS] The Chinese Premier, Li Peng, made a surprise visit to Shenzhen at the weekend to review economic developments in the southern Chinese town and oversee the final session of the city's anticorruption conference.

Li's visit was not announced in the media and he made only a few appearances outside government buildings, sources said.

When Li did venture outside, he was surrounded by a large security detail, the sources added, noting his visit continues to be a hot topic of conversation among the city's elite.

Increased security near the train station and the Anhu Customs House led to speculation the premier also visited the two sites.

Li's visit was announced in a city government report issued yesterday. According to the report, Li was pleased with increases in living standards and industrial production in the city.

Li also praised the special economic zone for its rapid rate of development during the past 10 years.

One unnamed official was quoted as telling Li that the developments were the result of hard work by Shenzhen civil servants and workers.

"The people of Shenzhen dare to imagine, dare to work, dare to struggle and dare to reform," the official said.

"This is why we have succeeded."

Li's visit came at the close of a municipal anti-corruption conference attended by the Shenzhen Communist Party secretary, Li Youwei, the mayor of Shenzhen, Li Zibin, and the deputy party secretary, Li Ronggen.



During the conference Li Youwei praised Li Peng's recent anti-corruption article in the party magazine Outlook Weekly, and urged all officials to "study the article closely".

Shenzhen holds the dubious distinction of being the site of China's largest bribery scandal in recent years.

Wang Jianye, a former department director at the Shenzhen Municipal Planning Bureau, was convicted a year ago of receiving more than 10 million renminbi (HK\$9.5m) in bribes during his three years of service.

The sentence was appealed in the Supreme People's Court in Beijing, but the verdict was sustained and Wang was executed on December 28, 1995.

**PRC: Article Sees Qiao Shi Taking More Prominent Role**

HK0304071496 Hong Kong SOUTH CHINA MORNING POST in English 3 Apr 96 p 21

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] There are four major presidential elections in 1996," a retired cadre said earlier this year. "They're being held in the United States, Russia, Taiwan and China."

In China, of course, it will be very much "balloting with Chinese characteristics", a kind of shadowy wrangling among gladiators in the cunning corridors of the Zhongnanhai party headquarters.

Theoretically, major personnel matters in the post-Deng Xiaoping era will not be resolved until the 15th Communist party congress slated for October 1997.

It is symptomatic of the uncertainties and nervousness of Chinese politics that jockeying for position has gone into high gear.

And it is a measure of the fragility of President Jiang Zemin's hold on power that pundits in the Chinese capital think his position is up for grabs.

"Everything will be settled by the end of the year," the cadre said. "The congress itself will be a mere public-relations exercise."

As insiders see it, a three-way battle has started for the Peacock Throne vacated through Mr Deng's incapacitation.

Leading the pack is 69-year-old Mr Jiang, who desperately wants to stay on in spite of his age, heart conditions, and an absence of memorable achievements in nearly seven years on the job.

The other two would-be helmsmen are People's Liberation Army (PLA) strongman General Zhang Wan-

nian, the fast-rising vice-chairman of the Central Military Commission (CMC), and Qiao Shi, the National People's Congress (NPC) chairman.

General Zhang, 67, has been hogging the limelight in military and civilian matters ranging from last month's war games on Taiwan's doorstep to a national conference on family planning.

The former army chief of staff has edged out Mr Jiang in one crucial battle by filling senior PLA positions with his proteges.

But even if General Zhang's clout continues to expand, he could at most play the role of king-maker. In spite of the PLA's long tradition of meddling in civilian politics, there is no precedent of a serving general becoming party chief or head of state.

All eyes are now on man-for-all seasons Mr Qiao as he embarks on a four-nation tour of the Ukraine, Russia, Cuba and Canada.

As one Western diplomat sees it, Mr Qiao has spent the bulk of his career honing the art of self-effacement and being inscrutable. The senior Politburo member once turned down Mr Deng's offer of the post of party general secretary.

"Qiao's aides have been pushing very hard for a more prominent role for their low-profile boss," the diplomat said. There have been signs recently that Mr Qiao, in excellent health in spite of his 71 years, has finally succumbed to the lust for action.

And the diplomatic community knows this. He is being accorded head-of-state protocol on his travels. High-profile meetings with Russian President Boris Yeltsin, Cuban President Fidel Castro and Canadian Prime Minister Jean Chretien have been scheduled.

Mr Qiao's pronouncements also seem to confirm speculation that he has kicked off a Chinese-style campaign to take the helm.

While hobnobbing with Ukrainian and Russian leaders, Mr Qiao struck the pose of an international statesman-when he asked these quasi-allies to help contain the "neohegemonistic" gambits of the US. He also reportedly pledged to buy more goods, including military hardware, from these countries.

In a press conference in Kiev, Mr Qiao played up the power of the NPC as the highest repository of "people power". The parliamentary chief pointed out that units including the State Council should "report to the NPC and accept its supervision".

Intriguingly, Mr Qiao added that China's armed forces could only go about their business "under the premise of



the unified implementation of state power by the NPC". Translation: the People's Liberation Army should also come under parliamentary control.

This runs counter to Mr Jiang's oft-repeated doctrine about the Communist Party leadership's "absolute control" of the gun.

Despite his frequent run-ins with CMC heavyweights such as generals Zhang Zhen and Liu Huaqing, Mr Jiang has tried his level best to secure army backing for his bid for post-Deng glory.

However Mr Qiao, in league with several party leaders, tried earlier this year to thwart Mr Jiang's effort to turn the paramilitary People's Armed Police (PAP) into his fiefdom.

To Mr Jiang's chagrin, Mr Qiao has managed to maintain control over such internal security apparatuses as the secret police, the dossiers office, the Central Commission for Disciplinary Commission and the Political and Legal Affairs Commission which oversees the courts. This is despite the fact Mr Qiao retired from these powerful units in the early 1990s.

Support of one or more of the "tools of the dictatorship of the proletariat" — the PLA, PAP or internal security forces — is a prerequisite for real power. At the same time, Mr Qiao has continued to bear the standard of Mr Deng's reforms, which have been adulterated if not reversed by Mr Jiang and his fellow "neo-conservatives".

On political reform, the NPC chief said last month that China must develop systems and legal codes to consolidate democracy.

"These systems and laws must not change because of the change of leaders," he indicated.

And this relatively liberal leader sounded more bugle calls for market reform, which had all but stopped under the neo-conservative programme of "boosting macro-economic adjustments and controls".

"We must be bolder in enterprise reform, our pace must be quickened, and our work must be more solid," Mr Qiao told NPC members from industrial Liaoning Province.

The legislative supremo should have the helmsman ship locked up if, with the help of anti-Jiang elders such as former NPC chiefs Peng Zhen and Wan Li, he can form a strategic alliance with the PLA heavyweights.

#### PRC: White Paper Refutes Human Rights Watch/Asia Accusations

OW0304042696 Beijing XINHUA in English  
0403 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — A white paper on the situation of children in China released today by the Information Office of the State Council refuted in the appendix the slandering and accusations on China's children's welfare institutions by Human Rights Watch/Asia.

The paper says the Human Rights Watch/Asia made a gratuitous accusation in its report, published on January 7, 1996, on the situation of children's welfare homes in China. Many parts of the report are cooked up based on distorted and exaggerated matters.

The censure of the report on the "maltreatment" of disabled children by the Shanghai Municipal Welfare Home for Children is not based on facts, the paper says.

It says the Shanghai children's welfare home is a social welfare charity institution directed by the Shanghai Municipal Government. The institution now offers guardianship and rearing to more than 500 children, most of whom are disabled, including over 100 disabled children entrusted to its care by the society. It has a staff of 320 members, including 42 medical personnel, 23 teachers and 220 nurses.

The orphans in the welfare home receive food, medical treatment and education. Regarding the food supply for the orphans, the emphasis is placed on nutrition and nursing; the food menu, designed to meet the needs of growing children, is worked out by a nutritionist according to the physical conditions and ages of the orphans. As a result, the paper says, the nutritional status of the children is good overall.

The paper notes that with regard to medical care and rehabilitation, the welfare home has set up an in-patient department and a children's rehabilitation center. Sick children are taken care of in the welfare home or sent to larger hospitals in the city for treatment, and physical check-ups are conducted for those recovered from illness twice a year. Those who are suitable for rectification are sent to the city's major hospitals to receive the operation.

Statistics show that in the last two years 87 disabled children have received surgical operations. Rehabilitative training has been practiced on children suffering from impaired or abnormal motion, with the recovery rate reaching 90 percent.

The paper goes on to say that in education, school-age children with physical deformities but normal mental

conditions are sent, at the welfare home's expense, to study in ordinary primary or middle schools, while the blind and deaf-mutes are sent to special schools. There are 32 children who study outside the welfare home.

In order to strengthen their education, two teachers are designated to instruct and take care of them after class. In addition, funded by the public, the welfare home has set up a school with 2,500 square meters of floor space and a sports ground of 1,200 square meters to provide the orphans and disabled children who can not go out to study in ordinary schools with an excellent education environment.

Judging from the above, the legal rights of the disabled in the Shanghai children's welfare home are well protected, the paper stresses.

It says China's children's welfare homes accept visitors and welcome the exchange of experiences as well as cooperation with other countries. Nearly every day people go to visit these institutions; some work as volunteers.

The paper concludes by saying that it is neither reasonable nor responsible that governments and political figures in some countries should denounce the Chinese Government merely on the basis of the report cooked up and dished out by the Human Rights Watch/Asia.

**PRC: Beijing Issues Child Welfare White Paper**  
OW0304053196 Beijing XINHUA in English  
0407 GMT 3 Apr 96

["China Releases White Paper on Situation of Its Children" — XINHUA headline]

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — The following is the full text of a white paper on the situation of children in China, which was released here today by the Information Office of the State Council.

### **The Situation of Children in China**

#### **Foreword**

China is a developing country with a population of over 1.2 billion, of whom over 300 million are children under the age of 16, making up about one fifth of the total number of children in the world.

What is the situation of Chinese children today? The 1996 State of the World's Children Report of the United Nations issued a group of figures, which reflect concrete conditions in the following aspects:

— The basic indexes on children. In 1994, the mortality rate of children under five in developing countries was

101 per thousand; that in East Asia and the Pacific region, 56 per thousand; and in China, 43 per thousand.

— Children's nutrition. Between 1980 and 1994, children with low weight in developing countries made up 35 percent on average, 23 percent in East Asia and the Pacific region, and 17 percent in China.

— Health care for children. In 1994, in developing countries, one-year-old children who were immune to the BCG vaccine totaled 87 percent; those immune to pertussis, diphtheria and tetanus, 80 percent; to infantile paralysis, 80 percent; and to measles, 78 percent. The immunity percentages for East Asia and the Pacific region were respectively 94 percent, 91 percent, 92 percent and 89 percent; and those for China, 94 percent, 93 percent, 94 percent and 89 percent.

— Children's education. Between 1986 and 1993, the net attendance rate of school-age boys of primary schools in developing countries averaged 87 percent, and that of girls, 80 percent. This compares to, respectively, 99 percent and 94 percent in East Asia and the Pacific region, and 99 percent and 94 percent in China.

To help the world toward a more comprehensive understanding of the situation of Chinese children, of how the Chinese Government and the whole society protect children's survival and development, and of the difficulties and problems on the development of children that remain to be resolved in a developing country like China, we now reveal to the public a range of relevant information about the condition of children in China.

### **I. Guarantee of Children's Rights and Interests**

Children are the future and hope of mankind. Today's children will be masters of the 21st century. Children's survival, protection and development, which are the basis for improving the quality of the population and the prerequisite conditions for the advance of mankind, directly concern a country and a nation's future and destiny. The Chinese nation has long cultivated the traditional virtues of "bringing along the young" and "loving the young." An old saying, "Love our own and others' children," is still very popular. The Chinese Government, with an earnest and responsible attitude, always shows great concern for children's survival, protection and development. It regards "the education of children to improve the quality of the whole people" as a fundamental policy for its socialist modernization program. The government educates society at large to "protect and educate children, and set an example and do practical things for children." It spares no effort to create favorable social conditions for the progress of children's programs. Since the initiation of reform and opening to the outside world, children's programs in



China have moved into social, scientific and legal tracks; and children's programs have become an important component part of the nation's construction and the duties of the whole society.

#### **Children's Programs for the 21st Century**

On February 16, 1992, the Chinese Government formally promulgated the Outline of the Program for Chinese Children's Development in the 1990s. The formulation of this program fully displays the Chinese Government's earnest and responsible attitude toward, and its concern for, the work impacting children. In accordance with the tasks and general objectives proposed by the Ten-Year Program for China's National Economic and Social Development and the Eighth Five-Year Plan (1991-95), the spirit of the two documents adopted by the Summit Conference on the Issue of World Children, as well as China's actual children's programs, the Outline, having the world, the future and China's modernization program in view, puts forward ten main objectives and tactics and measures for realizing these objectives. It states that the mortality rate of infants and that of children under five in 1990 will both be reduced by one third, and that disease occurrence in children under five caused by moderate and severe malnutrition will drop by 50 percent in 2000. All of the 30 provinces, autonomous regions and municipalities directly under the central government in China have worked out development programs for children in light of the Outline and their respective local conditions. The measures and work for implementing the Outline are carried out in a down-to-earth and effective way throughout the country.

#### **Protection Through Legislation**

For many years, China has striven to protect children's legitimate rights and interests through legislation, endeavoring to place such protection on a legal and normal footing. In accordance with the actual conditions in China and by reference to relative legislation in other countries, especially to the laws and international documents on the protection of children's rights and interests, China has worked out a series of laws concerning children's survival, protection and development. With the Constitution of the People's Republic of China as the core, these provisions include the Criminal Law, the General Principles of Civil Law, the Marriage Law, the Education Law, the Compulsory Education Law, the Law on the Protection of Disabled Persons, the Law on the Protection of Juveniles, the Law on the Protection of Women's Rights and Interests, the Law on Health Protection of Mothers and Infants, the Law on the Prevention and Control of Infectious Diseases, and the Law on Adoption, in addition to a great number of other rele-

vant regulations and measures. Hence a fairly complete legal system for the protection of children's rights and interests has been formed.

The Constitution of China clearly specifies: "The state promotes the all-round moral, intellectual and physical development of children and young people," "... children are protected by the state," and "maltreatment of ... children is prohibited." Formulated according to the Constitution, China's relevant laws include comprehensive and systematic provisions on children's right to life, survival and development, as well as basic health and health care. Provisions also address children's family environment and substitutional care, education, free time and cultural activities and the special protection of disabled children. It is specified that criminal acts, such as maltreating, abandoning and deliberately killing children, as well as stealing, abducting and trafficking, kidnaping, selling and buying in children, should be severely punished. In addition, China's Constitution, laws and relevant administrative legislation also include comparatively complete provisions on the government's functions, the society's participation, work principles and corresponding legal responsibilities in the protection of children's rights and interests. From these it can be clearly seen that China's legal framework for the protection of children's rights and interests and its social guarantee mechanisms are effective in practice.

#### **Judicial Protection**

China's judicial procedure attaches great importance to the protection of juveniles' legal rights and interests, on which there are many important laws containing special provisions. To the juveniles who break the law and commit crimes, China adopts the policy of education, help and reform and adheres to the principle of relying mainly on education while making punishment subsidiary. While handling criminal cases concerning juveniles, public security organs, people's procuratorates and people's courts take full consideration of juveniles' physical and mental characteristics, respect their personality and dignity, and safeguard their legal rights and interests. Before criminals are tried, public security organs, people's procuratorates, people's courts and judicial administrative organs detain juveniles separately from adults; and juveniles who serve a sentence decided by the people's court are separately imprisoned from adult criminals and are treated differently. All criminal cases of persons aged 14 and 15 are not tried publicly by the people's court; and in general, criminal cases of persons aged 16 and 17 are not tried publicly. Before a criminal case of a teenager is judged, it is stipulated that the press, films, TV programs and public publications



should not reveal the teenager's name, home address, photo and other identifying data.

#### **Organizational Guarantee**

To truly protect children's rights and interests, China's legislation, judicial and government departments concerned as well as mass organizations have set up corresponding mechanisms to supervise, effect and propel the healthy development of the work impacting children's protection.

As the highest organ of state power in China, the National People's Congress (NPC) has a Committee for Internal and Judicial Affairs responsible for legislation for the protection of women and children's rights and interests and for the supervision and check-up of law enforcement. This committee has a special group for women and children staffed with full-time working personnel. The Chinese People's Political Consultative Conference (CPPCC) has a Subcommittee on Social and Legislative Affairs, one of whose responsibilities is to supervise and promote the implementation of the state's laws and regulations on women, youth and children and raise proposals on work in this regard to the state's legislation and administrative departments.

The State Council of China has set up the Work Committee for Women and Children, which consists of responsible persons from the concerned government departments and mass organizations, and a state councilor who serves as chairperson. This committee has as its tasks to coordinate and promote the governmental departments concerned with implementing the Outline of the Program for Chinese Children's Development in the 1990s; and harmonize and propel these departments to do practical things for women and children. Both the central and local government departments involving education, public health, culture, public security, physical culture and civil administration have set up functional organs to take charge of the work for children. The provinces, autonomous regions and municipalities have set up committees on women and children's affairs or juvenile protection committees to organize and guide the work of protecting local children's rights and interests. Some mass organizations also perform many tasks to guarantee the development of the work concerning children in China.

#### **International Cooperation**

To promote international cooperation in the protection of children, the Chinese Government and society at large have taken an active part in global and regional international cooperation and exchanges regarding children's survival, protection and development while devoting themselves to this cause in a down-to-earth and

effective manner. In recent years, China has achieved great success through cooperating with the UN Children's Fund (UNICEF), the UN Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO) in its work to protect children. In this regard, China has been highly praised by international organizations and authoritative persons in the child protection field.

Chinese Premier Li Peng, on behalf of the Chinese Government, signed the World Declaration on the Survival, Protection and Development of Children and the Plan of Action for Implementing the World Declaration on the Survival, Protection and Development of Children in the 1990s (both adopted by the World Summit for Children in 1990), which represent a solemn promise made to several hundred million Chinese children as well as to the international community. China actively participated in working out the UN Convention on the Rights of Children. When the convention was examined and approved at the 44th Session of the UN General Assembly in 1989, China was one of the co-sponsor countries that raised the draft resolution for the approval of the convention. On December 29, 1990, China formally signed the convention. The following year, the NPC approved the convention, which formally became effective in China as of April 1, 1992. The convention is a universally applicable standard worked out by the international community for the protection of children's rights. The Chinese Government has undertaken and conscientiously fulfilled the obligations specified in the convention.

#### **II. Children's Health and Care**

The Chinese Government and various circles in Chinese society have paid great attention to the health and care of its children. Much painstaking work has been done in protecting children's lives and health. As a result of these efforts, remarkable success has been achieved.

##### **Birth and Death**

In 1995, China's birthrate was 17.12 per thousand and 20.63 million children were born, the natural growth rate being 10.55 per thousand.

The mortality of children under five years old is an important indication of the situation of children in a country. According to a national maternity and child-care monitoring report in 1994, the infant mortality of China decreased to 37.79 per thousand from 200 per thousand in the early 1950s and the mortality rate for children under five years old to 46.75 per thousand. From 1950 to 1980, the annual decrease rate of China's infant mortality was above five percent, higher than the annual decrease rate (2.5 percent) of the average infant

mortality of developing countries in the same period and also higher than that (4.6 percent) of developed countries. In the 1990s, the annual rate of decrease of infant mortality in China is 6.50 percent and that of children under five years old is 5.85 percent. So far, no other country in the world enjoying an annual per capita income approximate to China has reached such a high level.

### Medical Care

In order to realize the global strategic target whereby everybody would enjoy health care by the year 2000, a maternity and child hygiene service system commensurate with its national conditions has been established in China and a three-level network of medical treatment, prevention and health care has been developed in its rural and urban areas, providing health care and planned immunity services for children.

Using vaccines for children is an economical and effective way for preventing epidemic diseases and reducing children's death rate. From the 1950s, China began to popularize the bovine vaccine and in the early 1960s, smallpox, an infectious disease seriously endangering children's health, was eliminated. After the 1960s, China began to inoculate BCG, pertussis, diphtheria, tetanus, measles and poliomyelitis vaccines. In the 1970s, activities for immunity from diseases were carried out during winters and springs; and in 1978 work on planned immunity for children was started on a nationwide scale. All this has led to a great drop in the incidence of the relevant infectious diseases and the mortality from such diseases.

In the 1980s, readily responding to the proposal of the WHO to expand the country's immunity program, China unified children's immunity procedures, initiated the system of issuing inoculation certificates, established the Specialists Committee for Planned Immunity and strengthened technical guidance for planned immunity work. At the same time, China cooperated with the UNICEF in the cold chain development, carrying work in this respect further.

In 1985, the Chinese Government announced officially that its target for immunizing children would be realized in two steps, i.e. the inoculation rate of children would be 85 percent by 1988, counted at the provincial level, and again 85 percent by 1990, counted at the county level. In 1989 and 1991, the UNICEF, the WHO and the Ministry of Public Health of China jointly carried out two evaluations of China's work of planned immunity. The results showed that China had fulfilled, on schedule, its target on children's immunity and the inoculation rate of various vaccines was over 90 percent, counted at the county level.

In order to eliminate poliomyelitis, while strengthening regular work on immunity and the monitoring of poliomyelitis, China performed nationwide six rounds of reinforced inoculations on children under four years old, on December 5 and January 5 separately in each of the three years 1993-96, each round involving about 80 million children. In this way the timetable for eliminating poliomyelitis has been shortened.

Since the implementation of China's immunization program, great achievements have been made and the incidence of infectious diseases has sharply declined. A national report on the country's epidemic situation reveals that the number of cases of measles, diphtheria, pertussis and poliomyelitis in 1994 dropped by 96.4, 99.4, 99.3 and 97.5 percent respectively compared with 1978; the death rate decreased by 97.4, 99.3, 96.5 and 97.7 percent respectively. In 1994, the number of incidences of the above-mentioned four epidemic diseases fell by about 3.517 million and the number of deaths by about 13,000 as compared with 1978. In 1995, only one strain of a wild virus was found in the stool of a child suffering from poliomyelitis who came from abroad to Yunnan for medical treatment. No other poliomyelitis wild viruses were found in Acute Flaccid Paralysis cases.

China's immunization achievements have been highly praised by the international community. On October 16, 1989, a silver medal was awarded to the Chinese Health and Antiepidemic Department of the Ministry of Public Health by the then UNICEF executive director, James P. Grant to commend China's achievements made in children's immunity work. On November 24, 1994 and August 8, 1995, Dr Hiroshi Nakajima, Director General of the WHO and Dr S.T. Han, Director of Western Pacific Regional Office of the WHO, successively wrote letters to Li Peng, Premier of the State Council of the People's Republic of China, and Qiao Shi, Chairman of the Standing Committee of the National People's Congress, in which they spoke highly of these achievements and, on behalf of the WHO, expressed their great satisfaction with China's work in eliminating poliomyelitis. They held that China had played an important role in the world public health field.

China considers reducing children's mortality caused by pneumonia and diarrhea as an important and urgent task of its medical and health work for children. For this purpose the Chinese Ministry of Public Health has formulated the National Plan on Controlling Infection of Children's Respiratory Tract (1992-95) and the Plan on Controlling Diarrhea (1990-94) and implemented a series of measures, such as popularizing proper techniques, personnel training, health education and monitoring systems. These have all served to reduce infant mortality.



especially rural infant mortality. Management projects on standard AIR (expansion unknown) cases had been expanded to 53 counties in 24 provinces, autonomous regions and municipalities and diarrhea control projects had covered 17 provinces, autonomous regions and municipalities by 1994. And at the same time, 360,000 township and village doctors from 300 poor counties have been trained on managing standard AIR cases and controlling diarrhea.

Before 1949, tetanus was one of the main causes of death in China's newborn babies. Health centers for women and children were set up throughout China from the 1950s to the 1960s and new methods for child delivery as a major measure for controlling puerperal fever and tetanus neonatorum have been crowned with remarkable success. In 1993, the Ministry of Public Health of China put forward a new task to further reduce infant mortality caused by tetanus, so as to meet the 2000 international standard for eliminating tetanus. In 1995, the Ministry of Public Health promulgated the National Action Plan on Eliminating Tetanus Neonatorum. Basing on data gathered from investigation and monitoring, it designated areas highly susceptible to tetanus neonatorum attacks and, while continuing to popularize the new methods of child delivery and encourage hospital childbirths, strove to rapidly develop immunization work among women of childbearing age.

#### Nutritional Status

China has paid great attention to improving children's nutritional status and various medical and health measures have been adopted. In the early period after the founding of the People's Republic of China, the government handed out infant foodstuffs in some areas. From the 1960s to the 1970s, a scientific diet for children was popularized in China. The nutritional status of Chinese children has gradually improved since the supplementary food was developed in the 1980s and since breastfeeding was advocated and dietary scheme was optimized in the 1990s. Now it is rare to find cases of serious malnutrition caused by shortage of food or cases of serious vitamin-A deficiency.

Since the 1980s, a chart has been used in some areas of China to monitor children's natural growth and a community nutrition monitoring program introduced. If something abnormal is detected by such monitoring, timely guidance and treatment are given. Experience has proved that this is a proper method to maintain the health of children.

In response to the proposals of the WHO and UNICEF, various activities to promote breastfeeding and build "baby friendly hospitals" have been developed. China planned to bring the breastfeeding rate on the provincial

level up to 80 percent by the year 2000 as a major target for the Outline of the Program for Chinese Children's Development in the 1990s and it also promised to build 1,000 "baby friendly hospitals" by 1995. To this end, the Ministry of Public Health issued the Notice on Strengthening the Work on Breastfeeding in May 1992 and regulations were also formulated to improve the management of the sale of mother's milk substitutes, so as to impose restrictions on the sale of such substitutes. Under the leadership of governments at various levels, a "baby friendly program" with the establishment of baby friendly hospitals as the main part was carried out in a big way. By the end of 1995, 2,957 baby friendly hospitals had been constructed, ranking first in number in the world — a significant contribution to the world baby friendly program. These efforts have won for China the high opinion of the UNICEF and WHO.

At the same time, in order to improve the level of medical treatment and health care and the nutritional status of children in rural areas, measures for promoting the building of township clinics, county antiepidemic stations and county health centers for women and children have been adopted by the state. Since 1991, 300 million yuan from central finance has been allocated and 8.65 billion yuan from local financial administrations, collective economy and peasants had been pooled for input in that direction. By the end of 1994, the conditions at 36 percent of the township clinics, 29.8 percent of the county antiepidemic stations and 27.7 percent of the county health centers for women and children have been improved by various degrees.

Investigations show that children's nutritional status in China has improved considerably. Compared with 1990, the rate of malnutrition in children under five years old dropped by 23.82 percent in 1995, fulfilling, ahead of the time, the medium-term target envisaged in the Outline of the Program for Chinese Children's Development in the 1990s.

#### III. Education for Children

The Chinese Government always gives pride of place to children's education in the promotion of education in general. Thanks to the mutual efforts made by the government and society, children's education in China has seen great progress in the past few years, with many indexes higher than those of other developing countries and some indexes close to those of developed countries.

#### Vigorously Increase Input in Education

In recent years, China has established an educational fund-raising system, whereby financial allocations are the predominant source, with funds collected through other channels as a supplement. It is stipulated that the

increase of allocations for education by the central and local governments should be higher than the increase of regular revenue, thus ensuring a year-by-year increase of average educational appropriations for every student.

According to statistics, in 1994 China spent 59.4 billion yuan on primary education, with operating expenses for public use averaging 89.47 yuan per student; 43.5 billion yuan was spent on ordinary middle schools, with operating expenses for public use averaging 239.89 yuan per student.

The Chinese Government pays great attention to educational development in remote and poor areas, as well as areas inhabited by national minorities. Since the 1980s, the state has appropriated school aid for the popularization of primary education, and subsidies for developing vocational education, normal education and education for national minorities. The State Education Commission and the Ministry of Finance have decided that in 1995-2000, the special funds allocated by the central government for the popularization of compulsory education, plus the supporting money provided by the local governments, should be used to implement the National Compulsory Education Project in Poor Areas. It is estimated that over 10 billion yuan will be put into the project. The money will be used mainly to improve conditions in primary schools and junior middle schools in poor areas.

China has been making great efforts in raising educational funds through various channels. According to incomplete statistics, during 1991-94, it collected a total of 33.8 billion yuan for primary and middle schools to buy more and better quality teaching aids, books and reference materials, sports requisites and campus facilities.

#### **Develop Preschool Education**

Mobilizing the whole society to develop preschool education in various forms and channels and encouraging not only government institutions and enterprises but also mass organizations and individuals to open kindergartens in light of relevant regulations—this is one of the principles adopted by China in developing preschool education. In recent years, due to the vigorous support and active participation of governments at all levels and society at large, China's preschool education has been developing steadily. A new era has dawned in which kindergartens are run by the state, the collectives and the individuals together. By 1995 China had 180,000 kindergartens, with an enrollment of 27.1123 million children. In all, 42.2 percent of children aged 3-5 years old go to kindergartens. In urban areas, full-time kindergarten is the dominant form of preschool education, with the boarding system and preschool classes as a

supplement; in rural areas where the local economy is better-developed, central kindergartens can be found in every township and preschool classes in every village. In backward countryside, mountain and pastoral areas, which are remote and sparsely populated, while endeavoring to create conditions for running preschool classes, people are opening children's activities stations, games groups, mobile groups giving children guidance, and other nonregular forms of preschool education.

#### **Higher Enrollment Ratio for Children of School Age**

Popularization of compulsory nine-year schooling is the key goal of China's elementary education program. Thanks to the government's effort and powerful support from society, in 1995 the number of children attending primary school reached 131.95 million, with an enrollment rate of 98.5 percent for children of school age. In addition, only 1.49 percent of the students discontinued their studies and 90.8 percent of the primary school graduates entered a higher school. According to China's present standard on popularization of compulsory primary schooling, elementary education has been basically popularized in areas covering 91 percent of the country's population. UNESCO statistics show that the enrollment ratio of school-age children in China is much higher than in other countries of the same economic development level.

Education for girls is a key problem which faces developing countries in the field of children's education. When New China was firstly founded, the country's enrollment rate of girls was only 15 percent. The Chinese Government later took many measures so that great progress was made in education for girls and the gap between enrollment rates of boys and girls was reduced year by year. China therefore has solved a problem which remains unsolved in many other developing countries. According to statistics, in 1995 the enrollment ratio of school-age girls in primary schools was 98.2 percent, only 0.7 percentage point lower than that of boys; girl students accounted for 47.3 percent of total primary school enrollment.

#### **Help to Children Unable To Go to School**

In China's poor areas there are children unable to go on to school because of poverty. Governments at all levels have incorporated help for children from poor families to enter school in their help-the-poor programs and, at the same time have taken various measures to help them return to school. In the mean time, thanks to the concern of and vigorous promotion by the government, people from all walks of life have been helping these



children, enabling them to enjoy the fundamental right to education.

In October 1989, the China Youth Development Foundation initiated the Hope Project in Beijing. It provides grants-in-aid as long-term financial assistance to children in poor areas who dropped out of school because of strained family circumstances, thus enabling them to return to school. In some poor rural areas, it also helps build or repair schoolhouses and buy teaching aids, stationery and books. It has sponsored the "One Million People's Love Movement" and the "1 (family) + 1 (dropout) Help Movement," mobilizing the entire society to help dropouts return to school. By the end of 1995, the Hope Project had raised 690 million yuan, given financial assistance to 1.25 million children for continuing primary education and subsidized construction of over 2,000 Hope Project primary schools.

The China Children's Foundation began to carry out the Spring Buds Program in 1989. It established a special fund to help girls enter school, enabling girls in poor areas to receive charge-free compulsory primary education. In total, the Spring Buds Program helped 100,000 girls return to school in 1994 and 1995.

#### IV. Protection of Disabled Children

China has all along attached great importance to protecting disabled children, making great efforts to create favorable conditions for their survival and development.

##### Protection of Disabled Children's Rights and Interests

The Chinese Government has devoted much attention to guaranteeing the rights and interests of disabled children. Among children aged 14 and under, there are over 9 million disabled, accounting for 2.66 percent of the total number of children in China. The Chinese Constitution and relevant laws contain clear statements regarding the rights and interests of the disabled, including disabled children. The Law on the Protection of Disabled Persons contains all-inclusive, systematic provisions guaranteeing the legitimate rights and interests of the disabled. It states clearly that the disabled enjoy equal rights with other citizens in all spheres: political, economic, cultural, social and family life; that discrimination, insult and harassment against the disabled are prohibited; that the state should develop disability prevention programs; and that the rights of the disabled to rehabilitation, education, labor, entertainment and welfare should be protected. While all these provisions also apply to disabled children, the law includes specific statements on special protection of disabled children.

In order to protect rights and interests of the disabled and promote their cause, the China Disabled Persons' Federation (CDPF), an organization that represents the disabled, serves their interests and administers the work concerning the disabled, has been established with the approval of the Chinese Government. One of its principal tasks is to protect the lawful rights and interests of disabled children. Also, local disabled persons' federations at the provincial (autonomous regional and municipal), prefectural and county levels have been established to serve the disabled, including disabled children in the region, and administer their affairs.

The Chinese Government has expended great efforts and attained remarkable achievements in helping disabled children recover maximum health and in enhancing their abilities to participate in social life.

China has actively developed the "Three Recoveries" program (rectifying polio sequelae, training deaf children in hearing and speech and performing cataract operations). By the end of 1995, China had rectified 360,000 children of polio sequelae (a success rate of 98 percent), helped more than 60,000 deaf children recover their hearing and speech abilities (10 percent of which had entered regular kindergartens and elementary schools to receive regular education), had provided 30,000 poor-sighted children with sight aids and helped 100,000 mentally retarded children enhance their cognitive capacity and self-sufficiency. At present, China has established the National Rehabilitation Research Center for Deaf Children, in addition to 26 provincial-level rehabilitation centers for deaf children and over 1,000 rehabilitation stations, kindergartens and training classes for disabled children.

Community rehabilitation service systems for disabled children also have been set up. China has fully used the urban-rural three-level network of health services to develop community rehabilitation, helping most disabled children in grassroots areas enjoy basic rehabilitation services. Moreover, under the leadership of local governments at different levels, community rehabilitation leading groups have been founded, consisting of public health departments, civil administration departments, disabled persons' federations and other relevant departments, which coordinate and cooperate with each other to mutually formulate community rehabilitation plans and manage their implementation.

In 1982, the Chinese Ministry of Civil Affairs started to cooperate with the UNICEF in the Community Rehabilitation for Disabled Children project. By the end of 1994, the rehabilitation network for disabled children covered 32 cities and counties in 23 provinces of the country and systematically trained disabled children's

parents and rehabilitation instructors. These efforts were successful in effectively improving the management of the rehabilitation work for disabled children.

#### **Disability Prevention and Rehabilitation**

Following the policy of putting prevention first, the Chinese Government has adopted a series of measures to prevent children's congenital disability.

China has expended great efforts in strengthening the immunization program and in planned, large-scale replenishment of iodine for children. In order to further control endemic diseases and curb environmental pollution, it has taken effective measures such as replenishing iodine, improving soil and purifying water in regions where goiter, cretinism and Kaschin-Beck disease are rampant. The Marriage Law, the Law on Health Protection of Mothers and Infants and relevant regulations for preventing congenital disability have been strictly implemented by governments and medical and health institutions at all levels. In order to curb harmful heredity and improve prenatal, birthing and postnatal education and administration, services like premarital check-ups and education, prenatal examinations, heredity consultancy, birthing-process care, mother-baby care and early education have been strengthened.

#### **Education for Disabled Children**

Regarding disabled children's education, the Education Law, the Compulsory Education Law, the Law on the Protection of Disabled Persons and the Regulations for Disabled Persons' Education clearly and completely state the duties, characteristics, guiding principles of development, channels for running schools and methods of instruction, etc. According to relevant laws and regulations, the education of disabled children is compulsory.

After years of efforts, China has formed a compulsory education set-up for disabled children, which takes special-education schools as the backbone and special-education classes attached to, and attendance of individual disabled students in, ordinary schools as the main body. By the end of 1995, China had set up 1,379 special-education schools for the disabled, an increase of 400 percent over 1980; there were also 6,510 special-education classes attached to ordinary schools with 296,000 disabled students (including those attending regular schools), an increase of 800 percent over 1980. In 1995 the national average school enrollment rate of blind, deaf and mentally retarded children reached 60 percent; in the economically developed areas enrollment reached 80 percent.

#### **Social Environment**

The Chinese Government has done a great deal of work to mobilize various circles in society to care for, in various manners, the development of disabled children, to greatly encourage the spirit of unceasing self-improvement among disabled children and to advocate the social virtues of unity, friendship and mutual aid. The Chinese media actively reports on the life conditions of disabled children and the work concerning the disabled. Virtually all radio and TV stations offer specific programs for disabled children, compounded with sign language and captions. To create a favorable social environment for disabled children's survival and development, China has worked out and gradually implemented Standards for the Design of Urban Roads and Buildings for the Disabled's Convenience, which require obstacle-free structures when municipal works and various buildings are constructed.

Since 1991, the Chinese Government has legally established National Helping-the-Disabled Day on the third Sunday in May every year. Children actively take part in Young Pioneers Helping the Disabled activities while young people enthusiastically participate in Volunteers Helping the Disabled activities. Meantime, the broad masses of people all over the country also widely participate in various activities to help the disabled. Closely looked after by the government, disabled children have also been receiving many types of help and services from various circles in society.

#### **V. China's Welfare Homes for Children**

China's welfare homes for children play a special role in the country's efforts to care for children. The welfare homes and some social welfare institutions that also accept orphans offer guardianship and rearing to mainly children who have lost their parents during natural disasters or accidents, and also to those abandoned by their parents because they are seriously disabled mentally or physically, or because they have contracted a serious illness. Currently, there are about 20,000 such children under the guardianship and rearing of welfare institutions, accounting for five per one hundred thousand of the total number of juveniles in China.

#### **Rearing Under Guardianship**

In China, such rearing and emplacement of orphans or children abandoned for physical disability are under the charge of civil administration departments.

These are the ways that orphans are reared under guardianship in China: social welfare institutions set up by the government or collectives offer guardianship and rearing to some of the orphans till their adult



age and give life support to idiotic and seriously disabled orphans under their care; some orphans are brought up in citizens' homes under the guardianship of welfare institutions; some orphans are adopted by domestic citizens and a small number by foreign citizens according to relevant laws.

By the end of 1995, there were a total of 73 welfare homes for children set up by local governments, offering guardianship and rearing to 8,900 orphans and abandoned ill or disabled children. More than 1,200 social welfare institutions and some homes for the aged in rural areas have also offered guardianship and rearing to orphans and abandoned ill or disabled children. Some orphans and abandoned ill or disabled children are under the care of or adopted by common people. Moreover, there are a total of nearly ten thousand organizations serving orphans and disabled persons in communities throughout China, such as schools for orphans, rehabilitation centers, training classes for mentally retarded children, rehabilitation stations for disabled children and community rehabilitation stations, as well as about a hundred social welfare institutions established by individuals or organizations.

Apart from welfare institutions set up by the government and the society to take care of orphans and abandoned children, China encourages citizens to adopt these children so that they can enjoy a normal family life and grow up sound of body and mind. In order to protect legal adoption and the legal rights of the persons concerned, and to benefit the care and growth of adopted juveniles, the NPC Standing Committee of China stipulated the Adoption Law. According to this law, the Ministry of Justice and the Ministry of Civil Affairs, with the approval of the State Council, published for implementation the Procedures for the Adoption of Children by Foreigners in the People's Republic of China. The adoption of orphans in China has laws to go by and is in full accord with the principles put forward by the United Nations in the Convention on the Rights of Children.

All adoption procedures are done strictly according to law. Both Chinese citizens and foreigners shall meet the conditions required by law and go through all necessary procedures. While handling the adoption procedures for the person concerned, the related departments of the Chinese Government charge the fees strictly according to law. As required by law, the adopter shall pay to the welfare home the cost for upbringing of the adoptee, which will then be used to improve living conditions for other children in the institution. This cost is determined mainly through negotiations between the two parties.

## Funds

Most of the funds for China's welfare homes for children come from appropriations by state and local financial departments (the funds being budgeted as full operating expenses for welfare homes in the financial report of each year), supplemented by other means, such as collective fund raising, welfare lotteries and donations. From 1990 to 1994, local financial departments had appropriated a total of 515 million yuan directly to urban welfare homes for children (of this total, 40 percent being used directly for the livelihood of the children), at an annual increase rate of 25.5 percent, thus guaranteeing the basic needs of the children. During this period, the state appropriated 740 million yuan specially for the improvement of welfare homes for children, including 240 million yuan raised from welfare lotteries published by central and local governments, 150 million yuan from local financial departments and 350 million yuan from donations.

The funds received by each welfare home around the country are different due to the various levels of economic development in each area. In economically developed areas, the average expense per child per month is 400 to 500 yuan while in the less developed areas, the amount is 200 to 300 yuan. Living expense of the children in the welfare homes is usually no lower than that of local citizens, in view of the fact that prices are comparatively low in China.

## Administrative System

China's welfare homes for children have adopted a fairly complete, systematic administrative system. The system requires that the children shall be under a two to three month observation period before they are accepted. During the observation period the related departments search for the child's parents and confirm his or her identification while at the same time the child is given a comprehensive physical examination and isolation is practiced on children suffering from infectious diseases. The system also requires that there shall be a certain number of specialized personnel in each welfare home — the specialized personnel in first-level state welfare homes shall account for above 70 percent, and in second-level, above 65 percent, of the total welfare home staff. Each welfare home for children has drawn up strict rules and regulations concerning every aspect of internal management and of the children's lives — upbringing, nursing, medical care, rehabilitation, scientific research, community rehabilitation, training, and supporting service.

To supervise the implementation of these administrative procedures, the civil affairs departments have carried

out regular inspections. Units that perform well are commended and those units or individuals who seriously violate regulations are penalized.

#### **The Principle of Combining Upbringing, Treatment and Education**

The welfare homes for children in China practice the principle of combining upbringing, treatment and education.

Due to the special care given to China's helpless orphans and abandoned ill or disabled children, many of them have grown up and found jobs. With help from the government and people from all circles, the more than 4,200 orphans left in the 1976 Tangshan earthquake — from a few months to 16 years old, except for those adopted by their relatives — were all settled in the Xingtai Welfare Home for Children and at orphans' schools in Tangshan and Shijiazhuang. Most of their living and study expenses were borne by the state. In October 1995, Wang An, the last "Tangshan earthquake orphan" left the welfare home that had offered him guardianship and rearing to work in a hospital. The Jilin Provincial Welfare Home for Children in Changchun has brought up 2,478 orphans since its establishment 38 years ago.

When they come to welfare homes, most children are suffering from serious illness or inherent disabilities. Welfare homes have paid much attention to treating these children to the most degree. Ill or disabled children in serious condition are sent to local hospitals for better treatment. In 1995, the number of the children nursed back to health exceeded 200. Welfare homes for children boast doctors, rehabilitators, nutritionists, as well as clinics, rehabilitation rooms, emergency treatment rooms, laboratories and pharmacies, giving timely treatment to ailing children. With help from the government and from people in all walks of life, many welfare homes own fairly advanced medical equipment to meet the basic needs of their children. At present, China has a professional staff who are devoted to the well-being of orphans and disabled children; medical personnel account for 32 percent of the total welfare home staff.

Since 1995, the Ministry of Civil Affairs and the Ministry of Public Health have jointly launched health projects for disabled orphans throughout the country. Under the project, large hospitals give free hospitalization to orphans who need to undergo operations, and charge half of the normal surgical operation and treatment fees. Disabled children in welfare homes take part in various rehabilitation training programs, and some of them have recovered or basically recovered from disability.

At welfare homes, children with normal intelligence, no matter if they are physically handicapped or not, receive compulsory education like other children. Blind, deaf and mentally retarded children are sent to special education schools. In addition, the state has set up over 30 schools especially for orphans. These schools educate children according to their physical and mental abilities and characteristics; some schools even combine compulsory education with vocational education to enhance the students' career opportunities. For seriously disabled children, every welfare home has set up a special education class that teaches self-sufficiency. In 1989, the government established a separate fund for special education. In 1995, the fund totalled 23 million yuan, of which 1.1 million yuan was appropriated to special education classes at welfare homes.

#### **Mass Movements To Help Orphans**

The Chinese Government encourages activities to help orphans and has called upon the whole society to show concern for orphans. In recent years, mass movements to help orphans have blossomed.

— A mass campaign encouraging kindness to orphans is now widespread and volunteers are numerous. In Shanghai and Beijing, campaigns such as "Let kind-hearted people give orphans a big hug," "Offer your affections to orphans and disabled children and bring health to them," "Help orphans in every way" and "Link your hearts to orphans' hearts" are enthusiastically responded to by people from all walks of life. In these campaigns, many urban families take children from children's welfare institutions and let them stay in their homes during holidays or at ordinary times so that these children can enjoy the warmth and affection of a family.

— The China Charity Federation was established to promote charities and extensively collect donations. By the end of 1995, the China Charity Federation had recruited 44 local organizations throughout China as group members and it had collected donations of over 100 million yuan. A considerable amount of the money was used to support orphans in vocational trainings and perform corrective surgical operations on disabled children.

— People from all walks of life show much concern for children's welfare institutions. They donate money and materials to help the institutions improve their conditions. This allows the institutions to improve the quality of their care and education. Welfare funds for orphans have been established in Qingdao, Shandong Province, Cele County in Xinjiang Uygur Autonomous Region and other places. In 1994 and 1995 the Shanghai Municipal Welfare Home for Children received 4.4



million yuan in donations. At present, 8,000 orphans throughout China are financially supported in their school education.

— Individuals are becoming ever more enthusiastic about running children's welfare homes and non-governmental welfare homes are on the increase. In Guangzhou the number of beds in social welfare institutions run by individuals now account for 10 percent of all social welfare institution beds.

China has made great efforts to support the survival, protection and development of children. The UNICEF, UNESCO, WHO and other international organizations and public figures all made positive comments on China's achievements in this connection. Of course, the Chinese Government is sober about the fact that since China is a developing country with a large population and since its economic foundation is still comparatively weak, its per capita income is in a rather rear position in the world per capita income listings and its development level is unbalanced between city and countryside and between different areas, there is much difficulty in the work for children and therefore much room for improvement. Take medical care for children, for example. The incidence of disease among children in the countryside is high and in some poor areas children's nutrition is below the normal level. As for children's education, the teaching conditions in some outlying and poor areas are not up to par and the phenomenon of primary and middle school children discontinuing their studies still exists. As for the protection of disabled children, the state is not able to amass in a short period enough money to fully satisfy the actual needs in the protection of these children. Since the level of economic development varies from area to area, some welfare homes are better run than others with economic difficulties. Therefore, as China develops economically and socially, an important task facing the Chinese Government is to constantly improve children's conditions and promote activities and programs to help children. The Chinese Government will continue to work persistently toward this end, as it has done in the past, and the cause of children will surely develop further as a result.

**PRC: White Paper Refutes Accusations on Children's Homes**

OW0304042296 Beijing XINHUA in English  
0402 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — A white paper on the situation of children in China released here today by the Information Office of the State Council refuted in the appendix the slandering and

accusations on China's children's welfare institutions by the British commercial television station Channel Four.

The British commercial television station Channel Four broadcast "Secret Asia, the Dying Rooms" on June 14, 1995, and "Return to the Dying Rooms" (a refurbished version of the former) on January 9, 1996.

The paper points out that using clumsy tricks, the programs stated that in China's children's welfare homes there were "dying rooms" where children were abused to death.

The paper says that an investigation proved that the so-called "dying rooms" in the program "Secret Asia, the Dying Rooms" refer actually to a warehouse in the Huangshi City Social Welfare Home in Hubei Province and that the major part of the program is fabricated.

The "Dying Rooms" claimed that in 1994 more than 80 children died in that house. This is sheer fabrication, the paper says.

The paper says that the welfare home's statistics record and the list of children taken in or identified and adopted shows that there were 161 children in the institution in 1994 and 128 were adopted later in the year. How come more than 80 children died? Claiming that the empty beds formerly used by children who were later adopted or identified and so left the welfare home were the beds of dead children and further referring to the warehouse as the "dying rooms" is deliberate distortion of facts.

Using wanton fabrication to cheat and mislead viewers cannot but arouse indignation among the people, the paper says.

It stressed that China, which has opened its door to the outside world, now receives millions of foreign visitors every year. They have opportunities to see the true situation, one which is completely contrary to what's described in the "Dying Rooms."

**PRC: Ministry Official Says Transient Population Well Managed**

HK0304091696 Beijing CHINA DAILY in English  
3 Apr 96 p 2

[By Chen Yanni: "Transient Population Gets Extra Attention"]

[PTS Transcribed Text for FBIS] The country's growing transient population — some 80 million people — has been effectively managed over the past year, said a senior official with the Ministry of Public Security.

Since July last year, when a national meeting was held on management of this group, various new measures on the subject have been passed, said Wu Dongli, director

of the ministry's Administrative Bureau of Population Registration.

He added that, in order to discourage crime and ease pressures on the nation's already over-burdened urban infrastructures, the ministry is currently drafting a public security management regulation on transient employees.

Wu explained that the term 'transient population' includes those who leave their residential areas to do business, visit relatives or friends, travel for pleasure, pursue studies, or seek medical care.

In 1995, nearly 80 per cent of the more than 43 million people who registered as transients reported that they were on business trips, a 9.5 per cent increase over the previous year, Wu said.

They mainly flew from rural into urban areas, and from the inland provinces of Sichuan, Guizhou, Henan, Guangxi, Yunnan, Hunan, and Hubei into the coastal areas Guangdong, Hainan, Jiangsu, Fujian and Shanghai, and the economically developed Liaoning and Beijing.

Guangdong alone registered 6.38 million transients last year.

"The increasingly larger transient population has provided a vast labour force for urban economic development and also represents a huge consumer market," Wu said.

But public opinion holds transients responsible for increasing crime, he noted, and statistics indicate some problems in that regard. Last year about 649,000 temporary residents violated laws, an increase of 14 per cent over the previous year, according to Wu.

To date, more than 20 provinces, municipalities and autonomous regions have set up special departments for managing migrant workers at the provincial or municipal, district or county, and street levels, forming a preliminary network for management, Wu said.

As a means of comprehensive management, Wu said, such departments are usually headed by senior officials of the local governments and composed of officials from the local departments of public security, labour, industry and commerce, civil affairs, health, urban construction, family planning, and taxation.

Legislation on management of transient populations was strengthened last year, Wu said.

Besides the Public Security Management Regulations on Leasing Houses and the Application Methods of Temporary Resident Cards promulgated by the Ministry of Public Security, many local rules on management were also issued. For example, Beijing has issued 11 such regulations.

## Science & Technology

### PRC: High-Technology Project To Highlight 5 Areas

HK0304090796 Beijing CHINA DAILY in English  
3 Apr 96 p 1

[By Cui Ning: "Hi-Tech Project Highlights 5 Areas"]

[PTS Transcribed Text for FBIS] China's "863 Project", high technology research and development programme, will focus on the five key fields of biology, information, automation, energy and new materials in the next five years.

The project will give a powerful push to the modernization drive, especially in agriculture and telecommunications, said Zhu Lilan, vice-minister of the State Science and Technology Commission, yesterday in Beijing.

Research in these areas will be exploited commercially, Zhu said at the opening of a four-day conference marking the 10th anniversary of the "863 Project."

Through gene transplants, the country will expand experimental growing of hybrid rice, and pest-and disease-resistant cotton, wheat, maize and soybeans.

The commission will also focus on gene injection technology research to improve treatment of malignant tumours, and a clinical trial of gene medicine vaccines for hepatitis, intestinal disease, snail fever and malaria.

The information field will target high performance computers, optics and electronics, air-to-surface and surface-to-air observation, and modern telecommunications, Zhu said.

In the next few years, computerized manufacturing systems are expected to be further utilized in areas such as machinery, electronics, space, textiles, light industry, petroleum, chemistry and telecommunications. Industrial robots will also be used in some large firms.

In the materials field, the commission will select key technology programmes to do national defence research, Zhu said.

Projects will cover materials used in electronics, information, rare-earth metal, new energy compound materials and high-capacity engineering plastics Zhu said.

The "863 Project," so-called because it was launched in March 1986, is a long-term plan to provide advanced science and technology for the national economy. The commission is planning to work out a "Super 863 Project" for the period of 2001 to 2010, Zhu revealed.

At yesterday's conference, Zhu also reviewed the achievements of the past 10 years.



About half of the 1,200 achievements were comparable in quality to the world level. Thirty-eight per cent of the achievements had to do with the economy or national defence. And 10 per cent have been marketed and have proved profitable.

Also at the conference, Wang Tongye, vice-minister of the State Commission for Science Technology and Industry for National Defence, summarized achievements in space and laser technology over the past five years and outlined development plans.

**PRC: Data Base of 'Noted' Chinese Scientists Completed**

OW0304053496 Beijing XINHUA in English  
0215 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — A data bank on leading Chinese scientists has been completed and put into operation here.

The data bank, developed by the Science and Technology Information Research Institute of China, contains information about 4,000 noted scientists, engineers and senior science and technology managerial personnel.

It is in both Chinese and English versions.

Covered are members of the Chinese Academy of Sciences, Chinese Academy of Engineering and Chinese scientists elected members of overseas academies of sciences; leaders of the Chinese Academy of Sciences, governmental departments, important local research institutes, key schools of higher learning and important research institutes attached to them, and key state-level labs; scientists who have made outstanding achievements; key national science prize winners; leaders of major hi-tech development zones, and leaders in charge of science and technology in leading Chinese enterprises.

**PRC: Daya Bay Nuclear Plant To Close for Maintenance**

OW2903125696 Beijing XINHUA in English  
1233 GMT 29 Mar 96

[FBIS Transcribed Text] Shenzhen, March 29 (XINHUA) — The Daya Bay Nuclear Power Plant in south China's Guangdong Province will begin the second refueling and maintenance for its Unit 1 from March 31, a plant official said.

Apart from the regular work required by the plant's annual checking plan, all of the present guide tubes of the control rods in Unit 1 will be replaced by state-of-the-art tubes used in Unit 2, to make the dropping time of the tubes more accurate.

The annual check may take 80 days, the official said. He estimated that the unit will re-connect with the power grid in mid- June.

As for Unit 2, the official said the exciter went wrong during the starting of the reactor on March 6, when the second refueling and maintenance neared completion. He explained that the exciter is part of the conventional island for providing electric current to engines.

The damaged exciter has been transported to Britain for further analyses and repairs, which may take nine weeks to complete.

The official said that GEC-Alsthom has confirmed that the mishap was an isolated case. Because the exciters on Unit 1 and Unit 2 are equipment of the same type produced by the same factory, these exciters can be exchanged for each other.

The exciter in Unit 1 will be transferred to Unit 2 after the refueling and maintenance for Unit 1 start. The official said that Unit 2 will generate power and connect with the power grid in mid- April. Before that, strict checks and tests will be conducted for Unit 2.

It is estimated that the exciter under repairs in Britain will be transported back and installed in its original site at the end of May, so that the refueling and maintenance work can be completed in mid-June.

The official stressed that the exciter belongs to the conventional island, which will not affect nuclear safety at all.

Relevant power grids have made arrangements for alternative power supplies so that consumers will not be affected.

**Military & Public Security**

**PRC: Logistics Department Stresses Spirit of 8th NPC Session**

HK0304014696 Beijing JIEFANGJUN BAO  
in Chinese 20 Mar 96 p 1

[By reporter He Minghong (0149 7686 7703) from Beijing on 19 March: "General Logistics Department Relays, Studies Spirit of Fourth Session of Eighth NPC; Wang Ke Attends Meeting"]

[PTS Translated Text for FBIS] This afternoon, the General logistics Department convened a meeting for cadres, soldiers, workers, staff members, their family members, and retired cadres from organs directly under it to relay the spirit of the Fourth Session of the Eighth National People's Congress [NPC]. Wang Ke, member of the Central Military Commission and director of

the General Logistics Department, also attended the meeting. Zhou Kunren presided and delivered a speech at the meeting, while Wen Guangchun, delegate to the Eighth NPC and assistant to the director of the General Logistics Department, relayed the spirit of the Fourth Session of the Eighth NPC.

At the meeting, Zhou Kunren set out requirements on relaying and studying the spirit of the Fourth Session of the Eighth NPC in the light of actual conditions: It is necessary to fully understand the great significance of the Fourth Session of the Eighth NPC and relay and carry out its spirit well, stress the essentials and understand in depth the main spirit of the Fourth Session of the Eighth NPC, and genuinely gain a clear idea of historic mission the Army shoulders and the demands it places on high and middle-ranking cadres. The spirit of the Fourth Session of the Eighth NPC should be taken as strong driving force pushing for the implementation of various tasks. At present, it is imperative to rectify ideas, strengthen discipline and education, step up efforts to implement various logistical tasks, improve workstyle, and further intensify grass-roots construction. Efforts should also be made to increase the strength of logistical reform, persist in the principle of reinvigorating logistics through science and technology, and strengthen the building of emergency tactical units under logistical departments in order to lead a hectic life well and strive for adequate logistical support.

**PRC: Biodata on Guangzhou MR Commander Tao Bojun**

*HK0304014596 Hong Kong KUANG CHIAO CHING in Chinese 16 Mar 96 No 282, p 57*

[Article by Chen Chih-ping (7115 1807 5493): "New Guangzhou Military Region Commander Tao Bojun"]

[PTS Translated Text for FBIS] **Tao Bojun's Promotion**

In January 1996, 59-year-old Lieutenant General Tao Bojun succeeded General Li Xilin as Guangzhou Military Region commander. Before that, Tao Bojun was the second deputy commander and CPC Standing Committee member of the Guangzhou Military Region.

Tao Bojun was born in December 1936, a native of Yongji County, Jilin Province. In 1951, two years after the founding of the PRC, Tao joined the People's Liberation Army (PLA) at the age of 15. He served as staff officer in 1954 and graduated in 1955 from the PLA Sixth Artillery Academy at the age of 19. Founded in 1951, the PLA Sixth Artillery Academy was a training school for artillery command cadres at the grass-roots level and was renamed the Beijing Artillery Academy in 1956.

After graduating from the academy, Tao was assigned to a field army under the Wuhan Military Region. In 1961, Tao joined the CPC at the age of 25. In 1964, he was appointed staff officer of an operational training section under a regiment's headquarters. From 1971 to 1975, he served as deputy chief of a reconnaissance section under a division's headquarters. From 1976 to 1977, he was named chief of staff of a regiment.

**Zhang Wannian Is Tao Bojun's Boss**

Following the "Cultural Revolution," Tao Bojun was appointed deputy chief of an operational training section of the artillery headquarters under the Wuhan Military Region from 1977 to 1979 and became section chief from 1979 to 1981. From 1981 to 1983, Tao served as chief of staff of a division under the Wuhan Military Region (at the time, Zhang Wannian, incumbent vice chairman of the Central Military Commission, was the corps commander of the Wuhan Military Region).

In 1983, Tao was promoted to commander of the artillery corps headquarters under the Wuhan Military Region and then became deputy commander of an army unit in the Wuhan Military Region. At the time, the commander of the Wuhan Military Region was Zhou Shizhong and deputy commanders were Li Guangjun, Zheng Zhishi, Zhang Xiulong, and Zhang Wannian, while the political commissar was Yan Zheng and deputy political commissars were Wang Zhan and Ren Rong.

In June 1985, China demobilized one million soldiers and reduced the number of major military regions from 11 to seven. Following the abolition of the organizational system for the Wuhan Military Region, Zhang Wannian was transferred to the post of deputy commander of Guangzhou Military Region. Tao Bojun was then promoted to chief of staff of the Chengdu Military Region. He had been under the leadership of three former commanders Fu Quanyou, Zhang Taiheng, and Li Jiulong and had served as chief of staff for seven years.

In 1987, Tao Bojun was elected delegate to the 13th CPC Congress. In September 1988, when China restored the system of military ranks, Tao was awarded the rank of major general, and he was promoted to lieutenant general in 1991.

In October 1992, Tao attended the 14th CPC Congress. He was transferred to chief of staff of Guangzhou Military Region in November 1992 and was promoted to deputy commander in December 1993.

Leading officials of the Guangzhou Military Region include:



Commander: Tao Bojun

Political commissar: Shi Yuxiao

Deputy commanders: Zhou Yushu, Wen Guoqing, Yang Zhenggang

Deputy political commissar: Wang Tongzhuo, Liu Shutian

Chief of staff: Gong Gucheng

Political Department director: Zhang Guochu

Logistics Department director: Chen Tianlin

**PRC: Beijing Aims To Recruit Over 1,000 More Police**

OW0304024296 Beijing XINHUA in English  
0144 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA)  
— The Chinese capital is expected to recruit 1,000 to 1,500 more policemen to patrol street beats this year, bringing the total to 4,500 or 5,000.

Zhang Liangji, director of the Beijing Public Security Bureau, told an ongoing session of the municipal legislature Tuesday that this move is aimed at dealing with the increasing number of cases of disorder on the streets in a "direct and timely way".

Beijing officially started the patrol system last May in its eight urban districts. At present, there are 3,500 patrol police working in three shifts per day on the streets.

"Although the patrol police have been on the streets for less than a year, they have won high esteem among local residents and outsiders alike. Thus we decided to recruit more patrol police to meet the needs of social security in the capital," Zhang said.

He disclosed that so far the patrol police have arrested 3,390 criminal suspects, looked into 465 cases and helped 430,000 people.

The patrol police are trained to perform such duties as maintaining social order and the smooth flow of traffic, aiding accident victims or persons who need help, and stopping disputes.

China's first patrol police squad was organized in the country's largest metropolis of Shanghai in 1992, and squads were allocated to some booming coastal cities soon after.

**General****PRC: State Planning Commission Issues Price Check Circular***OW0204143596 Beijing XINHUA Domestic Service in Chinese 0822 GMT 11 Mar 96*

[By reporter Zhang Chaowen (1728 6389 2429)]

[FBIS Translated Text] Beijing, 11 Mar (XINHUA) — To carry out a State Council policy regarding supporting agricultural production by stabilizing the prices of means of agricultural production, the State Planning Commission recently issued a "Circular Concerning the Inspection of the Prices for the Means of Agricultural Production." It was decided that a nation-wide inspection of the prices for the means of agricultural production would be carried out beginning as of March this year.

The circular urged price inspection organs at all levels to focus on consolidating the prices in the circulation field and carry out a comprehensive check on chemical fertilizer production and management units as well as on auxiliary channels. The circular urged to resolutely deal with all kinds of illegal pricing and conscientiously consolidate the circulation order of chemical fertilizers.

The major contents of the inspection include arbitrary price hikes and service charges in the production and circulation processes of means of agricultural production, particularly chemical fertilizers.

The circular stressed that those who resell with added prices chemical fertilizer quotas under unified central planning, bills of lading, imported chemical fertilizer quotas and approval documents, particularly those who resell with added prices imported chemical fertilizers at ports will be severely punished in accordance with the law once discovered to control the price hike of chemical fertilizers and conscientiously protect peasants' enthusiasm in growing grain and cotton.

**PRC: Li Peng To Deliver Report at SEZ Conference***HK0304043196 Hong Kong MING PAO in Chinese 3 Apr 96 p a2*

["Special dispatch" by staff reporter from Zhuhai: "Zhu Rongji Presides Over SEZs Work Conference Today"]

[PTS Translated Text for FBIS] In addition to State Council Premier Li Peng, Vice Premier Zhu Rongji has also arrived in Zhuhai. Zhu is to preside over the "Special Economic Zones [SEZ] Work Conference" today, while Li Peng will deliver a speech at the conference, "to pound the table for agreement" on some policy issues.

According to a well-informed source, the main content of the current SEZs work conference is to study the effects of China's cutback of tariffs by a wide margin, effective 1 April, on the SEZs; and the issues of how to improve the investment environment and attract and keep the investment of Hong Kong, Macao, and Taiwan investors in the SEZs are also on the agenda.

Li Peng attended the SEZs Work Conference at Zhuhai Holiday Resort [du jia cun 3256 0250 2625] yesterday. Ge Fashen, director of the State Council Special Economic Zones Office, presided over the assembly held yesterday morning; Hainan and Shanghai's Pudong reported on their work. Panel discussions for various groups were held in the afternoon.

According to the source, after delivering his report today, Li Peng will leave Zhuhai, while Zhu Rongji will stay and continue to participate in the conference.

After the conclusion of the SEZs Work Conference, some of the responsible persons attending the conference will leave for Shenzhen for an inspection tour.

When Li Peng inspected Shenzhen not long ago, he reiterated CPC General Secretary Jiang Zemin's promise that the set policy on the SEZs will remain unchanged, and said that the SEZs must be run even better. During his inspection tour, Li Peng paid special attention to the operation of the Daya Bay nuclear power station, and the progress of its second-phase project.

Yesterday, Zhuhai Holiday Resort was heavily guarded, with armed policemen and public security men on guard at every passageway; while the holiday resort was off limits to all vehicles except those bearing official passes. There were guards everywhere within a circumference of several kilometers with the hotel conference center as the center, on a state of special alert.

Zhuhai Holiday Resort was chosen as the site of the current "SEZs Work Conference" because the hotel has recently been redecorated, and boasts a conference hall with a capacity of several hundred seats. There are many participants in the current conference, and the hotel's several hundred rooms have long been booked. During the conference, no foreign guests are to be received.

The source said that Li Peng arrived in Zhuhai from Shenzhen on Sunday (31 March), and was booked into the presidential suite at Tianhailou of Zhuhai Holiday Resort.

The luxurious villa, built in 1994, is equipped with a private heated swimming pool and a small-sized conference room, and is designed for Chinese and foreign heads of state. Former state President Yang Shangkun stayed at the villa on many occasions.



Yesterday morning, the "SEZs Work Conference" was held in the conference room on a higher floor of the holiday resort. The officials participating in the conference comprised secretaries, governors and mayors from the five SEZs—Shenzhen, Zhuhai, Shantou, Xiamen, and Hainan—and officials in charge of economic work.

After presiding over the opening ceremonies of the "SEZs Work Conference," Li Peng left for Zhongshan's Shiqi.

According to the source, during Li Peng's stay in Zhongshan, he met with local officials, and held a meeting. The officials reported to him on some new conditions which the city met in monetary reform last year.

**PRC: Legend Group Improves Computer Technology Standard**

OW0304074296 Beijing XINHUA in English  
0709 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — China's leading computer maker, the Legend Group, has improved the technological standard of Chinese top-brand computers by independently developing new products, according to the overseas edition of today's People's Daily.

The paper said that the Beijing-based group of the Chinese Academy of Sciences sold 105,700 computers last year, an increase of 135 percent compared with 1994. Sales earned 807 million yuan, an 84 percent rise, while profits and taxes reached 66.92 million yuan last year, an increase of 106 percent over the previous year.

The paper attributed the success to company efforts to develop its own high-performance computers.

For example, three months after Pentium central processing unit (CPU) chips appeared on the market, the company brought out China's first computer equipped with such chips.

Last November the company also developed the country's first computer with Pentium Pro CPU chips.

Over the past few years the company has built Asia's largest computer card production centers, and developed fax cards, TV cards and 100 kinds of new products.

**PRC: Control Tightened on IC Card Production**

OW0304101896 Beijing XINHUA in English  
0908 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — China has taken measures to curb the overlap in Intelligence Card (IC) production across the country, official sources said here today.

According to a circular issued by the Ministry of Electronics Industry (MEI) here today, all new projects in relation with IC production must seek the approval of the MEI and relevant departments beforehand.

No IC card, floppy disc drive or software, whether imported from abroad and made in China, will be allowed to be sold on the market before undergoing quality checks by state designated quality control departments.

ICs, popularly known as "electronic money", are necessary accessories of China's "Golden Card Project".

A national estimate showed that the annual demand for ICs in China will be 15 million before the year 2000. However, IC production lines across the country have a combined production capacity of more than 100 million a year, causing a huge waste in material and foreign exchange.

The MEI said in a circular titled "The Golden Card Project" that this sector should be subject to a unified scheme in planning, manufacture, distribution and management.

**PRC: Ministry To Grant Titles to Staff in Rural Industries**

HK0304090896 Beijing CHINA DAILY in English  
2 Apr 96 p 2

[By Chen Chunmei: "Titles For Rural Staff Planned"]

[PTS Transcribed Text for FBIS] Millions of technical staff in rural industries will be granted titles with national recognition for the first time, according to a circular issued this week by the ministries of agriculture and personnel.

The policy will help the enterprises by inspiring their personnel, enhancing their techniques and attracting more talented people from other sectors, said Gu Dazhi, an official with the Rural Industry Department under the Ministry of Agriculture.

It also expands employment prospects for rural technical personnel with such nationally recognized technical titles.

The policy reflects the fact that assessment of technical personnel has changed with social and economic development.

According to an official survey in 1994, rural industries have more than 2.7 million people with local technical titles, accounting for more than 4 per cent of total rural workers.

Self-taught but without formal academic degrees, most of the workers were not included in national assessments before the circular was issued.

Unlike national recognition, local titles mean that no employment or recognition can be acquired in other parts of the country.

The circular states that experience and practical skills will also count toward bestowing national recognition.

It should be recognized that some people in rural industries have the ability to run large businesses, Gu said, but they may not hold academic degrees.

The circular mentions concrete requirements for practical skills, such as economic or technical achievements.

In addition, the Rural Industry Department of Agriculture Ministry is making efforts to improve the education of workers to assist their development.

Special training, which also counts towards national recognition, will be made available to labourers.

### Foreign Trade & Investment

**PRC: Official Says Early WTO Admission Unlikely**  
*HK0304073696 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English*  
3 Apr 96 p 3

[By Cheung Lai-Kuen]

[PTS Transcribed Text for FBIS] China is not optimistic of being accepted into the World Trade Organisation (WTO) within one or even two years, according to a foreign trade official who spoke to a Hong Kong business delegation last week.

The main obstacle to China's application to join the WTO is the intervention by the United States, an official of the Ministry of Foreign Trade and Economic Cooperation, An Min said, according to the delegation.

The chairman of the Hong Kong Chinese Import/Export Association and leader of the delegation, Ng Lin-fung, said Mr An made it clear that China's attitude in negotiations regarding its entry to WTO was based on matters of principle and it would not change its stand to barter for admission.

He said Mr An reaffirmed China's open-door policy and its continuous move towards trade liberalisation.

China lowered the tariff rate on more than 4,900 items from this month and Mr An had said China would continue to lower tariffs and reduce non-tariff trade barriers, Mr Ng said.

Mr An had expressed confidence that China's MFN trading status with the United States would be renewed because it was to the mutual benefit of both countries.

### PRC: Wu Yi Column on WTO, Uruguay Round Agreement

*HK0304042996 Beijing RENMIN RIBAO in Chinese*  
27 Mar 96 p 2

[Article from "Lecture on Knowledge of the Uruguay Round Agreement" column by Wu Yi (0702 0308): "Study the World Trade Organization and Conform To the General Regulations on the Global Economy"; part 1]

[PTS Translated Text for FBIS] Editor's note: "To open wider to the outside world and raise the level of openness, it is necessary to have a better understanding of regulations regarding the global economy. For this reason, this newspaper and the Ministry of Foreign Economic Relations and Trade are jointly starting the special column "Lecture on Knowledge of the Uruguay Round Agreement" to introduce the regulations regarding the global economy that are provided in this agreement. Starting today, three relevant articles will first be published on this page, and the rest will be published on page 10. [end editor's note]

As the process of global economic integration accelerates, the world economy has become inseparably interlinked. To achieve a common orderly economic development, it is imperative to have a set of international regulations that reflect the actual conditions of the global economy, standardize all countries' actions, and ensure fair competition in international economy and trade so as to promote the expansion of world trade and a high-speed growth in the global economy. It is against this historical background that the World Trade Organization (WTO) and its Uruguay Round Agreement took shape.

The Uruguay Round Agreement is a set of multilateral economic regulations arrived at among 100-plus countries through nine years of tough talks. It includes various agreements that constitute relatively comprehensive current international economic regulations and contains regulations governing all countries' joint commitments over a wide range of areas including commodity trade, service trade, protection of intellectual property rights, and investment measures. The total trade of the countries and regions to which this set of rules are applicable make up more than 90 percent of world trade, fully demonstrating its important position in international economic regulations. This is a complete set of multilateral economic regulations, to which countries around the world are contracted to adhere. In a global economy involving a high level of mutual reliance, to implement reform and opening up China will inevitably be directly linked to this set of international regulations, whether or not it is to join the WTO.



The various WTO agreements have substantial content, including a series of basic principles, such as most-favored-nation treatment, national treatment, transparency of policy statutes, and national unified implementation of trade policy, that are used to standardize all countries' actions over a wide range of areas, such as currency circulation, clearance procedures, tariff levels, commodity inspection, service trade, intellectual property rights protection, investment policy, and taxation, financial, and monetary policies.

To establish a foreign trade and economic mechanism that conforms to unified standards, we should adapt ourselves to the general regulations on the global economy, while meeting the needs of socialist market economic development. As the implementation of reform and opening up is China's basic policy, conforming to international regulations is not simply a concern of foreign economic and trade departments, but requires the concerted efforts of all departments, provinces, municipalities, industries, and enterprises across the country. Hence, it calls for the whole country's concern about, study of, understanding, and review of the WTO regulations. It is essential that leading cadres at all levels, government decision-making organs, administrative personnel, legislative and judicial officials, and enterprise management familiarize themselves with this set of general international economic regulations. In the days to come, RENMIN RIBAO and GUOJI SHANGBAO will introduce a broad cross-section of readers to various WTO basic rules, which is a matter of great significance. I am convinced that it is bound to play an active role in pushing for the legalization and internationalization of China's economy.

**PRC: Economic, Trade Arbitration Commission  
Busiest in World**

OW0204135796 Beijing ZHONGGUO XINWEN SHE  
in English 0334 GMT 2 Apr 96

[FBIS Transcribed Text] Beijing, April 2 (CNS) — China International Economic and Trade Arbitration Commission has become the world's busiest arbitrator since it was established 40 years ago. The number of cases handled tops the world earning it an international reputation for its independent and judicial practices, according to a seminar marking the 40th anniversary of the establishment of the Commission today.

During the past 40 years, the Commission has handled 4,000 cases involving international economic and trade disputes, last year alone it heard 902 cases. Matters coming before the commission ranged from the international sale of goods, the import of equipment and raw materials, construction projects to securities trading, fund-raising and border trade. Amount involved in

these cases rose to RMB [Renminbi] 4.4 billion last year from RMB 2.7 billion in 1994.

The President of the China Council for the Promotion of International Trade and director of the China International Economic and Trade Arbitration Commission, Guo Dongpo, told the seminar that arbitration on foreign economic and trade disputes played an increasingly important role in Chinese society. China had become one of the major international commercial affairs arbitration centres and had been recognized as such internationally.

China has invited over 80 experts from more than 20 countries to act as arbitrators. Judgements made by the Commission are recognized and enforced in more than 100 territories worldwide.

**PRC: Activity of Economic Arbitration Committee  
Cited**

OW0304103296 Beijing XINHUA in English  
0856 GMT 3 Apr 96

[FBIS Transcribed Text] Beijing, April 3 (XINHUA) — The China International Economic and Trade Arbitration Committee (CIETAC) handled 902 arbitration cases and settled 867 of them in a bid to promote economic and trade exchanges between China and foreign countries, sources here said today.

In the past 40 years since its founding, the CIETAC has independently handled 4,000 international arbitration cases concerning economy and trade, becoming one of the most efficient arbitration organs in the world.

The rulings of the committee have been recognized and executed in over 100 countries and regions worldwide, and over 90 percent of the parties involved have accepted the rulings.

The committee employs over 90 professionals in the fields of law, economics, trade, and science and technology from over 20 countries as arbitrators, and has conducted 15 co-operative arbitration projects with arbitration institutions from Japan, France and Italy.

**PRC: Foreign Business Mediation Center Set Up in  
Wuhan**

OW0304051796 Beijing XINHUA in English  
0026 GMT 3 Apr 96

[FBIS Transcribed Text] Wuhan, April 3 (XINHUA) — A mediation center to handle disputes related to foreign-business matters has been set up in the central Chinese city of Wuhan.

The Wuhan Mediating Center of the China Council for the Promotion of International Trade will be involved mainly in legal consulting and providing mediation for

foreign enterprises, institutes, and business people in Wuhan.

This will help improve the city's environment for overseas investors, a center manager told XINHUA.

The city now has trade relations with more than 100 countries and regions around the globe, making the demand for a business dispute mediator somewhat urgent.

The new center is a non-governmental organization, and will try to handle economic issues by considering the facts, relevant laws, and international practice, the center manager explained.

**PRC: Envoy Says Beijing Expanding Economic Ties With SAARC**

OW3103115596 Beijing XINHUA in English  
1022 GMT 31 Mar 96

[FBIS Transcribed Text] Islamabad, March 31 (XINHUA) — China is actively developing its economic ties with the South Asia Association of Regional Cooperation (SAARC), Chinese Ambassador to Pakistan Zhang Chengli said here today.

Giving a speech at the All Pakistan Association of Retired Ambassadors this morning, Zhang said, "the trade volume between China and SAARC in 1994 has increased thrice compared with that of 1980, that is, from 724 million US dollars to 2,246 million dollars."

SAARC consists of all the South Asian countries which includes Pakistan, India, Bangladesh, Sri Lanka, Maldives, Nepal and Bhutan.

Zhang said, "as a close neighbor to South Asia, China is willing to develop friendly relations with all the countries in the region, and hopes that the region can maintain political stability and economic development."

"In recent years, the SAARC countries have devoted their major efforts to economic growth and carried out economic reforms," he said.

"As a result, a good trend of steady economic growth has emerged in the region which enjoyed a growth rate of 5.4 percent last year," he added.

"China has no fundamental conflict of interests with SAARC countries and hopes to have much wider and closer friendly cooperation with them," he said.

At the invitation of Sardar Ahmad, President of All Pakistan Association of Retired Ambassadors, Zhang came to make a speech on the situation in South Asia.

**PRC: Norway Supports Anhui Pollution Control Project**

OW3003025796 Beijing XINHUA in English  
1327 GMT 29 Mar 96

[FBIS Transcribed Text] Hefei, March 29 (XINHUA) — A massive project using Norwegian government loans to control pollution in the Huaihe River in east China's Anhui Province has been launched in Bengbu City.

The project involving 80 million yuan in total investment will use sophisticated technology to turn distillers' waste grain liquid from the Bengbu Alcohol Factory into high-protein fodder, worth 3.6 million US dollars a year.

Eighty percent of the investment in the project will come from Norwegian government loans. Total investment is expected to be recovered in six years' time.

**PRC: Spanish Government Funds Waterworks Project**

OW3003025696 Beijing XINHUA in English  
1430 GMT 29 Mar 96

[FBIS Transcribed Text] Shanghai, March 29 (XINHUA) — A 25 million US dollar loan from the Spanish government was re-extended today to finance a drinking water facility in the Pudong New Area of Shanghai.

The plant, to be built in the Lingqiao Waterworks, will produce 200,000 cubic meters of tap water every day.

The loan was re-extended by the Shanghai Branch of the China Construction Bank to the Shanghai Municipal Tap Water Company.

It is the first time that the Pudong New Area has utilized a foreign government loan for infrastructure construction. Flexible policies are being pursued in Pudong to encourage investors from other parts of China, and the world.

**PRC: Automotive Plant Exports Jiefang Trucks to Burma**

OW0204165096 Beijing XINHUA in English  
1445 GMT 2 Apr 96

[FBIS Transcribed Text] Changchun, April 2 (XINHUA) — The First Automotive Works (FAW), in the industrial province of Jilin in northeast China, recently exported 1,525 "Jiefang" trucks to Myanmar [Burma], as the first big export of Chinese motor vehicles ever by a Chinese auto manufacturer.

The FAW is one of China's top automotive producers, and is expected to produce 700,000 motor vehicles by the year 2000.



According to long- and medium-range development plans, domestic automobile supply will mostly meet demand.

FAW exported 500 motor vehicles to Myanmar in 1990, and found a ready market in the country.

According to a contract signed this year, FAW will export 1,800 motor vehicles to Myanmar and, moreover, it will export 200 9-ton dump trucks as well.

To date, Myanmar has more than 4,000 FAW-made cars and trucks of some 10 specifications.

**PRC: Xiamen Introduces More International Standards**

OW0304101296 Beijing XINHUA in English  
0954 GMT 3 Apr 96

[FBIS Transcribed Text] Xiamen, April 3 (XINHUA) — The Xiamen Special Economic Zone has been actively introducing international standards to enhance its economic strength.

The Xiamen Quality Verification Center, founded in 1993, has already granted verification certificates of the ISO9000 standard to eight enterprises.

Realizing that training is of vital importance to practising the international standards, the center has sponsored over 80 symposiums and training classes for over 5,000 people in over 300 enterprises.

The special zone, which is also a major tourism city, was the first in the country to introduce ISO9000 to hotels and department stores, in a bid to comply with international practices.

The city is also actively engaged in the introduction of the ISO14000 international environmental management standard.

The international standard has helped improve the performance of enterprises remarkably.

For example, the Zhengxin Rubber Industry Co. Ltd, which is a Taiwan-funded enterprise, raised its foreign exchange earnings to 80 million US dollars in 1995 from 54.83 million US dollars in 1994.

The Xiamen Overseas Chinese Electronics Enterprise raised the rate of its qualified products by 1.5 percent in 1995 as compared with 1994.

**PRC: Hubei Seeking Widespread Foreign Investment**

OW0304075796 Beijing XINHUA in English  
0741 GMT 3 Apr 96

[FBIS Transcribed Text] Wuhan, April 3 (XINHUA) — Hubei Province, in central China, is encouraging

foreign business people to invest in transforming its major state enterprises, building infrastructural facilities and developing agriculture.

Zhang Zhiwen, chairman of the provincial committee of foreign economic co-operation and trade, said Hubei plans to use 800 million US dollars in foreign funds this year.

These funds are expected to help upgrade its motor vehicle, machinery, electrical appliance, metallurgical and light industries, and construct a number of highways, bridges, ports and airports.

It will also attract foreign investment for developing its banking, insurance, shipping and commercial establishments.

It is learned that the province used 623 million US dollars in foreign investment last year.

**PRC: Jiangsu Seeks Foreign Investment in Transportation**

OW0204135896 Beijing ZHONGGUO XINWEN SHE  
in English 0318 GMT 2 Apr 96

[FBIS Transcribed Text] Nanjing, April 2 (CNS) — Continuing its search for basic infrastructure investment, Jiangsu has recently invited foreign businessmen to invest in transportation.

A new regulation encourages foreign businessmen to invest in this field and, in particular in motorways, B grade roads of over 40 kilometres, bridges of over 300 meters and ship locks for over 300 tonne vessels.

The investment sought is by way of Build-Operate-Transfer (BOT), either through participation with a local partner or otherwise, over a period of 30 years.

Foreign investors can seek a 15 percent reduction in income tax and, if the operation period exceeds 15 years, they may also seek an exemption from the tax during the first five years, with a reduced rate in the following period of five years.

**PRC: Shandong Cooperation With Germany, Singapore Cited**

OW0304044696 Beijing XINHUA in English  
0229 GMT 3 Apr 96

[FBIS Transcribed Text] Qingdao, April 3 (XINHUA) — Tripartite economic and trade co-operation among Singapore, Germany and east China's Shandong Province has proved successful for all sides.

Local officials revealed that fund-thirsty Shandong has attracted 1.6 billion U.S. dollars in investment since

the tripartite co-operation committee was founded in October 1994.

Germany has opened 161 joint ventures in Shandong involving a combined contractual value of 300 million U.S. dollars.

Singapore has poured 1.3 billion U.S. dollars into 437 projects in this coastal province so far.

Meanwhile, headway has been made in exchanges of information, academic research and personnel training.

It is reported that the three partners will gradually shift their emphasis to the electronics and machinery industries and infrastructure.

Shandong has listed 15 prospective projects for co-operation.

#### **PRC: Shanghai's Foreign-Funded Enterprises Profitable**

*OW0304102796 Beijing XINHUA in English  
0602 GMT 3 Apr 96*

[FBIS Transcribed Text] Shanghai, April 3 (XINHUA) — Foreign-funded enterprises in this, China's largest economic center are all making profits.

A survey showed that their sales incomes in the first two months of this year totalled 28.447 billion yuan, an increase of 60.1 percent over the same period of the previous year, and profits amounted to 1.46 billion yuan, up 26.3 percent.

Included are the service trades, which developed the most rapidly, with the sales volume reaching 4.716 billion yuan, up 73 percent.

The profit rate of retail sales of foreign-funded enterprises in Shanghai averaged 5.2 percent, 1.4 percentage points less than in the same period of last year, and that of real estate dropped from 22.1 percent to 9.8 percent.

According to the survey, foreign-funded enterprises engaged in service trades rank first in profitability.

Of Shanghai's 7,000 foreign-funded enterprises which have gone into production, 70 percent are involved in industry and agriculture and the others in the service trades.

#### **PRC: Xinjiang Agriculture Benefits From Foreign Capital**

*OW0304103396 Beijing XINHUA in English  
0835 GMT 3 Apr 96*

[FBIS Transcribed Text] Urumqi, April 3 (XINHUA) — Agriculture will become the focus of foreign investment in the Xinjiang Uygur Autonomous Region, which is developing into one of China's key farm product bases.

With a vast territory and comparatively small population, the region is China's largest cotton producer, turning out 925,000 tons of cotton last year.

A local official said that this multi-ethnic region has used foreign investment totalling more than 150 million US dollars in agriculture over the past four years.

Xinjiang began to carry out seven projects involved in the development of land and water resources, protection of ecological environment, rural education, and improvement of seed varieties and soil in 1992 with 145 million US dollars loaned by the World Bank and Japan, and foreign assistance of five million US dollars.

With the help of these funds, three million poor farmers have made both ends meet, and thousands of farmers gained an opportunity to study advanced farming techniques.

Last year saw previously loss-making farms turn out a total industrial and agricultural output value of about 600 million yuan and profits amounting to 12 million yuan.

At present, the region's three modern educational institutions, built with foreign aid and loans, train about 1,000 agro-technicians and tens of thousands of farmers a year.

### **Agriculture**

#### **\*PRC: Grain Demand for Years 2000, 2010, 2020**

*96CE0186N Beijing JINGJI RIBAO in Chinese  
5 Mar 96 p 2*

[FBIS Translated Text]



Grain Demand for Years 2000, 2010, 2020

Item	2000			2010			2020		
	Total Demand (10,000 tons)	Per Capita Demand (kilogram)	Per Capita Consumption (kilogram)	Total Demand (10,000 tons)	Per Capita Demand (kilogram)	Per Capita Consumption (kilogram)	Total Demand (10,000 tons)	Per Capita Demand (kilogram)	Per Capita Consumption (kilogram)
Grain	52000	400	rations 213	60000	420	rations 193	69300	450	rations 173
Meat	4800	37	26	5800	39	27	6160	40	28
Eggs	1580	12	10	2200	15	13	3080	20	17
Aquatic Products	2800	22	14	3400	24	15	3800	25	16
Milk	1040	8	6	2000	14	12	3080	20	17
Fruit	3250	25	23	4500	32	29	6160	40	36

**PRC: Small Chemical Fertilizer Firms To Boost Technology Use**

OW0204135996 Beijing ZHONGGUO XINWEN SHE in English 0301 GMT 2 Apr 96

[FBIS Transcribed Text] Weifang, Shandong, April 2 (CNS) — If the Ministry of Chemical Industry's for the current Ninth Five-Year Plan plans are realised, small-sized chemical fertilizer manufacturers will see technology boost their annual output of urea and ammonium phosphate to 8 million and 3 million tonnes respectively by 2000.

A national working conference on chemical fertilizer production organized by the Ministry and the State Economic and Trade Commission in Weifang, Shandong Province recently indicated that such chemical fertilizer manufacturers produced 3.12 million tonnes of urea and 1.2 million tonnes of ammonium phosphate in 1995, accounting for 18 and 90 percent of the national total.

Chinese Vice Premier Zhu Rongji attended the conference and praised the technological achievements of the small manufacturers. He stressed that such work should be continued and encouraged, particularly to those enterprises enjoying better management and supply of raw materials.

During the current Five Year Plan, China plans that chemical fertilizer industry will technologically upgrade existing small-sized urea production facilities to add 2 million tonnes to current output. Two phosphate fertilizer production bases will be formed in Yunnan and Guizhou Provinces to increase ammonium phosphate output by 500,000 tonnes. To achieve this end, the Ministry of Chemical Industry will, with other departments,

actively encourage small manufacturers. Targets include to raise the urea output of 80 small manufacturers by 20,000 to 60,000; increase ammonium phosphate output of 40 small enterprises to 40,000 from 30,000; increase the compound fertilizer production capacity of 20 small manufacturers to 2 million tonnes; and establish 100 service centres to promote the use of chemical fertilizer in agriculture.

**PRC: Provinces Target Fertilizers for Wheat Production**

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[FBIS Transcribed Text] Beijing, April 2 (XINHUA) — According to experts from the Ministry of Agriculture, the use of fertilizers for wheat in Shandong, Hebei, Henan, Anhui, Jiangsu, Shanxi and Shaanxi provinces plays a key role in wheat production.

These major wheat producers along the Yellow, Huaihe, and Haihe rivers account for 70 percent of the country's wheat growing acreage and 75 percent of the total output.

To ensure a good harvest this year, these provinces have spared no effort to increase fertilizers supply and stabilize their prices.

Statistics from Hebei show that the province now has 8.3 million tons of chemical fertilizers in supply. At present, the five large and medium-sized fertilizer plants in the province are still going at full speed.

Jiangsu province has taken a series of measures such as providing subsidies for fertilizer plants to kept stable the prices of fertilizer. The current price for urea in the province is 2,300 yuan per ton, the same as it was last year.

### East Region

#### PRC: 'Excerpts' of Jiangsu 9th 5-Year Plan

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["Jiangsu's Ninth Five-Year Plan for National Economic and Social Development and Long-Term Targets for the Year 2010—(Excerpts)"]

[PTS Translated Text for FBIS] The period between 1996 and 2010 is crucial for the reform, opening up, and modernization drives of our province. During this period, we must advance toward the third-stage strategic targets on the basis of realizing the second-stage strategic targets, while at the same time establishing a new and relatively perfect socialist market economic structure. The task is glorious yet arduous. We must seize the current opportunity to bring about all-round economic and social development by facing the challenge and shouldering the historical mission entrusted to us by the times.

#### I. Review and Summing Up of the Eighth Five-Year Plan

During the Eighth Five-Year Plan, the people of our province have, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, emancipated their minds, zealously carried out reform, actively sought progress, and achieved major progress in various reforms. Marked improvement has been made in the overall quality of the national economy, all-round development has been achieved in all social undertakings, remarkable successes have been scored in opening the province to the outside world, continuous development has been achieved in science and education, great improvement has been made in the people's livelihood, and a good momentum of sustained, rapid, and healthy development has been observed in the national economy.

**1. A Marked increase has been achieved in the overall strength of the national economy.** The province's gross domestic product [GDP] attained the target of quadrupling the 1980 figure eight years ahead of schedule in 1992 and reached 515 billion yuan in 1995, which represented an annual growth rate of 18.1 percent. Per capita GDP attained the target of quadrupling the 1980 figure seven years ahead of schedule and was 7,300 yuan in 1995.

**2. The industrial structure has been optimized.** In 1995, the ratio between the three levels of industry was 16.5 to 53.5 to 30.1. The share of contributions by tertiary industry to GDP was 7.2 percentage points higher than the 1990 figure.

**3. The infrastructure has been strengthened noticeably.** The total installed capacity of power-generating units in the province was 11,985 megawatts. The construction of good quality highways has been accelerated, with some 600 kilometers of new first-class highways being built. The handling capacity of ports increased from 180 million tons in 1990 to 285 million tons in 1995. The capacity of urban and rural telephone exchanges increased from 814,500 lines to 5,948 million lines. Water conservancy construction has been stepped up, and smooth progress has been achieved in the taming of the Huaihe River and Taihu Lake.

**4. Remarkable success has been achieved in opening the province to the outside world.** In 1995, import and export handled by the province totaled US\$16.54 billion in value. The cumulative total for the five years was US\$48.9 billion, which represented an annual growth rate of 35 percent. A breakthrough development has been achieved in the utilization of foreign capital. In 1995, foreign capital actually utilized was US\$5.3 billion, while the cumulative total for the previous five years was US\$15.3 billion, representing an annual growth rate of 64.6 percent. The scope of economic cooperation with foreign countries has been gradually broadened. In 1995, revenue generated by overseas labor services was US\$510 million, representing an annual growth rate of 43.5 percent. A total of 63 national- or provincial-level development areas have been built.

**5. Further development has been achieved in science and technology.** In 1995, the share of the contribution made by science and technology to agricultural and industrial growth reached 50 percent and 40 percent respectively, up 15.98 percentage points and 13.09 percentage points from their respective 1990 figures. During the Eighth Five-Year Plan, more than 5,000 key scientific and technological projects at or above the provincial level were completed, 9.2 percent of which were up to international standards. The output value of high-tech products accounted for 6 percent of the total value of industrial output in the province, and the profits and taxes they generated accounted for 10 percent of the total profits and taxes on industrial products. Investment in technological transformation in enterprises at and above the township level amounted to 146 billion yuan, representing an annual growth rate of 46 percent.

**6. Significant progress has been achieved in social undertakings.** Population growth has been effectively brought under control. At the end of 1995, the province had a total population of 70.66 million. The level of urbanization reached 29 percent. Rapid progress has been achieved in educational undertakings. In 1995, 95 percent of the eligible population in the province



were participating in nine-year compulsory education. Ninety-eight percent of young people and people in their prime were literate or semi-literate. The number of students studying in general institutions of higher learning totaled 208,600, an increase of 42 percent over the 1990 figure. Medical and health conditions have improved considerably; cultural and sports undertakings have seen vigorous development; a social security system has been gradually established; environmental protection has been strengthened; and notable successes have been achieved in disaster alleviation and prevention.

**7. Notable improvements have been made in the people's livelihood.** In 1995, per capita net income of peasants in the province was 2,457 yuan, while in the urban areas the per capita income available for living expenses was 4,209 yuan, representing an annual growth of 4.4 percent and 7.6 percent respectively after allowing for price increases. The per capita living space of urban residents increased from the 1990 figure of 7.35 square meters to 8.6 square meters, while the per capita living space of peasants increased from 19.95 square meters to 22 square meters. There has been considerable improvement in the level of food and clothing consumption, and the ownership of durable consumer goods has shown rapid increase.

**8. Reforms have been developing in depth.** The rural reform has quickened the transformation of traditional agriculture into modern agriculture. The enterprise reform has brought about a notable increase in the ability of enterprises to adapt to market changes. The gradual implementation of the reform of the macro-control systems has expedited the transformation of government functions. Reforms of the five major systems have been developing smoothly, and a breakthrough development has been achieved in price reform. Reforms in science and technology, labor, education, public health, social security, as well as in other spheres have also been developing in depth.

National economic and social development during the Eighth Five-Year Plan has also been troubled by problems that cannot be ignored. 1) The overall quality of the economy and the quality of economic operation were not high, and extensive operation remained the predominant mode of economic growth. 2) The agricultural foundation was still weak. The loss of arable land was too drastic; investment in agriculture was insufficient; and the level and comparative returns of intensive management were low. 3) The degree of industrial organization and the standard of technical equipment were not high; the transformation of the operational mechanism of state enterprises was slow; and the trend of diminishing returns had not been put to an end. 4) Ter-

tiary industry was lagging behind and incompatible with the requirements of economic development. 5) "Bottle-necks" in infrastructure still existed. All transport facilities were inadequate and poor in quality, and there was a serious shortage of river-crossing facilities. Imbalances in the supply of and demand for electricity were acute, and peak adjustment capacity was weak. Flood prevention standards were low, and imbalances in the supply of and demand for water resources were acute. 6) Regional gaps were widening. Some people in the Huaihai District were still living in poverty. 7) Social undertakings were lagging behind economic development. On the whole, economic development indicators had reached a relatively comfortable standard, but some of the social development indicators were still some distance behind relatively comfortable standards. 8) Environmental pollution was becoming increasingly serious and was affecting economic development and the improvement of the people's livelihood.

## **II. The Ninth Five-Year Plan and the Guiding Ideologies, Principles of, and Targets for National Economic and Social Development for the Year 2010**

### **1. Internal and External Environment and Conditions**

On the international level, although local turbulence is still present in the international political and economic situation, the pursuit of peace, stability, and development will continue to be the main trend of the world situation on the whole. The correct diplomatic line of the central government has enabled us to win the initiative in international cooperation and competition, and has provided us with favorable conditions for developing an open economy. However, with the acceleration of the world scientific and technological revolution and the readjustment of the industrial structure — and as China opens wider to the outside world — challenges and pressures from international competition will become more obvious and direct.

On the domestic level, the country enjoys political and social stability, and the Chinese economy has been developing in a sustained and rapid way. Following the continuous deepening of reforms and the gradual establishment of the socialist market economic structure, basic relations in economic activities have been straightened out. This will create a good macroeconomic environment for the development of our provincial economy. The government's decision to accelerate the development of the economic belt of the Changjiang Delta and riparian areas, with Shanghai as the driving force, and to accelerate the development of the economic belt along the Euro-Asia continental bridge has brought our

province new development opportunities. Meanwhile, as the momentum of reform, opening up, and economic development increases in fraternal provinces and cities, and as the development and opening up of the eastern and western regions intensify, competition in domestic markets will sharpen. This will place higher demands on the readjustment of the industrial structure and product mix in our province, and will increase the sense of crisis in our development. The relative strain in the macroeconomic situation nationwide as the Ninth Five-Year Plan begins will also make it more difficult to accelerate development.

Reform and opening up in our province in the past 17 years have prepared a solid material and technical foundation for our future development. The infrastructure completed during the Eighth Five-Year Plan has increased the reserve power and potential of economic development and further improved the investment environment. Some areas have even entered a phase of takeoff. New economic growth areas are gradually developing. However, our province will still be faced with problems and difficulties such as regional gaps, unemployment, shortage of resources, and environmental pollution, in economic and social development over the next 15 years.

## 2. Guiding Ideology and Basic Principles

In accordance with the strategy of achieving modernization by three stages adopted by the central government, as well as the two major targets for and requirements on the implementation of the three major strategies put forward by the ninth provincial party congress, the following guiding ideology has been adopted for national economic and social development in our province for the next 15 years: "We must take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as guidance, firmly adhere to the basic principle of seizing the current opportunity to deepen reform, opening the country wider to the outside world, promoting development, and maintaining stability;" implement in an all-round way the nine important guidelines put forward by the central committee, correctly handle major relationships in modernization, and accelerate the transformation of the economic system and economic growth mode in order to promote economic development and all-round social progress in the whole province." Specifically, it is necessary to have a good grasp of the following basic principles:

— It is necessary to unswervingly persist in development, combine fast speed with good results, and maintain sustained, rapid, and healthy development of the national economy. Development is a solid principle.

Continuing to adhere to the requirement put forward by Comrade Deng Xiaoping, that "Jiangsu ought to develop at a speed faster than the national average," we must proceed from reality and seize the opportunity to accelerate development. Efforts must be made to achieve a fast speed that is supported by the market and good returns. If a faster speed can be achieved, we must go for it. We must strive to achieve rapid economic growth with good returns.

— It is necessary to persist in vigorously promoting the "two transformations" and to promote the development of social productivity. The acceleration of development must be organically combined with the realization of the two transformations. In other words, efforts must be made to achieve the two transformations while accelerating development, and to improve the quality and efficiency of economic growth in the course of the two transformations. The transformation of the economic structure from the traditional planned economic structure into a socialist market economic structure must be accelerated; a mechanism of enterprise management that can help save resources, reduce consumption, and increase returns; a technical progress mechanism, which is beneficial to self-initiated technological progress; and an economic operational mechanism, which is beneficial to fair competition and the optimal allocation of resources must be developed, in order to fully bring into play the fundamental role of the market in the deployment of resources; and supporting measures must be taken to increase the government's ability to regulate the economy. It is also necessary to actively promote the transformation of the extensive economic growth model into an intensive economic growth model, and take further steps to shift economic work onto the tracks of relying on scientific and technological progress and improving the quality of workers. At the same time, it is necessary to persist in taking the improvement of economic results as the central task in promoting the transformation of the economic growth model on different levels, to energetically develop high and new technological industries and strengthen scientific management, and to actively promote intensive management in agriculture and accelerate agricultural modernization. Efforts must be made to foster and strengthen the pillar industries, achieve a higher degree of industrial organization, intensify technological transformation, and strive to achieve better economies of scale in industrial development. It is also necessary to energetically develop tertiary industry and promote the optimization of the industrial structure.

— It is necessary to persist in implementing the "three major strategies" and improve the overall quality of Jiangsu's economy. Input to science, technology, and education must be increased, the conversion of scientific



and technological achievements into productive forces must be accelerated, and continuous efforts must be made to increase the contributions of science and technology to economic growth. The fundamental role of education in economic development must be brought into play, and a forward-looking approach must be adopted in fostering qualified people for the next century. Making full use of the superiority of the riparian and coastal areas, efforts must be made to energetically develop an export-oriented economy; make greater use of domestic and foreign capital, resources, and markets; maintain a high degree of economic openness; and increase our competitiveness in international markets. The distribution of productive forces must be readjusted and optimized by giving separate guidance to different areas, encouraging different regions to assist one another with their strong points, seeking common progress, increasing the self-development capabilities of the underdeveloped regions, and taking positive steps to narrow regional differences.

— It is necessary to persist in taking the road of sustainable development and to promote the coordinated development of the economy, the society, and the environment. In the course of accelerating economic development, it is necessary to curb inflation by striving to keep price increases below the economic growth rate and preventing major economic fluctuations. At the same time, greater attention must be paid to the development of social undertakings, improving the quality of the population and the quality of the people's livelihood, strictly controlling and positively improving environmental pollution, persistence in grasping the development and economic use of resources simultaneously, and raising the level of resources utilization. Efforts must also be made to bring about the coordinated development of population, resources, and environment in order to ensure a benign cycle of development.

— It is necessary to uphold the principle of "grasping two links at the same time and attaching equal importance to both" in promoting both cultural-ideological progress and material progress. In the course of reform, opening up, and modernization, it is necessary to correctly handle the relations between the three; take the unity of material progress and cultural-ideological progress as our goal; effectively strengthen the promotion of cultural-ideological progress, the building of democratic and legal systems, and party building; do a good job in the comprehensive control of public order; maintain long-term peace and stability; and create a fine social environment for reform and construction.

### 3. The Principal Targets for the Ninth Five-Year Plan

In accordance with the "Proposal" of the Central Committee and the guidelines of the ninth provincial party congress, the principal targets for national economic and social development during the Ninth Five-Year Plan are as follows: Achieving the second-stage strategic targets of modernization in an all-round way; achieving a comparatively comfortable standard of living in the whole province; initially realizing modernization in some parts of the province, and laying a good foundation in terms of material and technological progress and in the economic system for the basic realization of modernization by the year 2010; basically forming the operational mechanism of the socialist market economy by further deepening reform and accelerating the transformation of economic structure; achieving the goal of octupling the 1980 GDP by effectively changing the mode of economic growth, following a rapid and highly effective road of intensive development, and improving the comprehensive strength and overall quality of the economy; accelerating the process of economic internationalization by opening the province wider to the outside world and vigorously developing an export-oriented economy; achieving a higher level of cultural-ideological progress by bringing about the all-round development of various social undertakings; and eliminating poverty by achieving a marked increase in the income of urban residents and bringing about a significant improvement in people's quality of life and living environment.

**1. Targets for economic development.** By the year 2000, GDP will reach 900 billion yuan (at 1995 prices, which is equivalent to 580 billion yuan at 1990 constant prices), which represents an annual increase of 12 percent; per capita GDP will reach 12,000 yuan (at 1995 prices, which is equivalent to 8,000 yuan at 1990 constant prices). The structure of the three levels of industry will be readjusted to 11 to 53 to 36. State revenue will reach 61 billion yuan, or an annual increase of 12 percent. Total investment in fixed assets over the next five years will reach 1.1 trillion yuan (at 1995 price), total import and export will reach US\$34 billion, and foreign capital to be utilized over this five-year period will total US\$30 billion. The average rise in the commodity retail price index will be significantly lower than during the Eighth Five-Year Plan. The rate of increase in industrial output value, rate of profits on funds, and all personnel labor productivity will be above the respective national average figures.

**2. Targets for social development.** The national population growth rate will be kept within six per thousand, and the degree of urbanization will reach 40 percent. The urban unemployment rate will be maintained

at below 3.5 percent. Nine-year compulsory education will be popularized in the whole province, and efforts will be made to eliminate illiteracy among young people and people in their prime. Over 70 percent of junior secondary school students will be receiving senior secondary education. Senior secondary education will be basically popularized in all cities and riparian areas, and 12 percent of eligible young people will be receiving higher education. There will be 450 scientific and technical personnel among every 10,000 people. Rapid development will be made in cultural, health, and sports undertakings. Environmental protection will be further strengthened. The living environment and the quality of the natural and ecological environments will be improved. Public order will change for the better.

**3. Targets for people's livelihood.** The per capita income of urban inhabitants available for living expenses will be 5,750 yuan (at 1995 prices, which is equivalent to 9,000 yuan at prices for the indicated year), while the per capita net income of peasants will be 3,010 yuan (at 1995 prices, which is equivalent to 5,000 yuan at prices for the indicated year), representing an average annual growth of 6 percent after allowing for price rises in both cases. The per capita living space of urban residents will be 10 square meters, and 80 percent will be living in housing units, while the per capita living space of rural residents will be 25 square meters. The per capita daily intake of protein among the populace will reach the level of middle-income countries. Food will account for less than 45 percent of total living expenses in the whole province. There will be 15 telephones among every 100 people. The average life expectancy of the people will be 72 years or more.

**4. Targets for reform of economic structure.** The operational mechanism of the socialist market economic structure will be basically formed. A modern enterprise system will be basically established in medium-sized and large state enterprises. Collective and township enterprises will take further steps to deepen their reforms and invigorate themselves. Efforts will be made to basically institute a market system that is united, open, orderly, and competitive, and to bring about the allocation of resources according to market principles under macro-control. A social security system that basically covers the whole society will be established. Efforts will also be made to gradually establish a mechanism of constraint for investment risks, to change the functions of the government, and to improve the economic management system.

#### **4. Long-Term Targets for the Year 2010**

The principal targets for national economic and social development for the year 2010: Modernization will be

basically realized in the whole province. Per capita GDP will increase threefold on the basis of the achievement of the octupling of the 1980 figure during the Ninth Five-Year Plan, thereby reaching the standard of a moderately developed country. Further efforts will be made to advance along the road of building socialism with Chinese characteristics and to establish a more perfect operational mechanism for the socialist market economy, one which basically conforms with international practices. The industrial structure and the distribution of productive forces will become more rational. Industry, agriculture, science, and technology will be basically modernized, and tertiary industry will be more developed. The infrastructure will be better coordinated. The extent to which people are educated and the quality of workers will basically meet the needs of modernization. The people will see their livelihood improving from relatively comfortable standards to a life of affluence. There will be obvious improvements in their living environment and common prosperity, and the integration of urban and rural areas will be gradually realized. Efforts will be made to build our province into a modern province with a prosperous economy, well-developed scientific and educational undertakings, an affluent lifestyle, and a healthy legal system.

— **The economy will reach a new level.** GDP will increase at an average annual rate of 12 percent over the next 10 years and will reach 2.8 trillion yuan (at 1995 prices, which is equivalent to 1.8 trillion yuan at 1990 constant prices) by the year 2010. Per capita GDP will be about 36,600 yuan (at 1995 prices, which is equivalent to 23,600 yuan at 1990 constant prices).

— **The industrial structure will be upgraded.** The ratio between the three levels of industry will be 5 to 50 to 45, and the ratio of employment between primary, secondary, and tertiary industries will be 20 to 40 to 40. Coordinated development will be basically achieved between industries. Infrastructure facilities will basically meet the needs of national, economic, and social development. Capital- and technology-intensive industries, which are in a dominant position, will exist side by side with labor-intensive industries that make use of operative technologies.

— **An advanced level of science and technology will be achieved.** Technologies in the principal areas will reach domestically advanced standards, while scientific and technological developments, in some spheres, will approach or reach internationally advanced standards. The principal technical indicators in key industries will reach international advanced standards. The share of contributions of scientific and technological achievements to agricultural and industrial growth will be over 65 percent and 50 percent respectively.



— **An all-round improvement will be achieved in the quality of the population.** Better prenatal and postnatal care will become a universal policy. The natural population growth rate will be kept under four per thousand. Senior secondary education will be popularized in the province. On-the-job training will be provided to all workers. About 20 percent of young people of the relevant age group will receive higher education, basically reaching the educational development level of middle-income countries.

— **Economic internationalization will be realized.** Economic development will be closely linked to the international economy. Efforts will be made to take an active part in the international division of labor and competition, and to develop a well-developed export-oriented production system and a foreign-invested enterprise system that is characterized by rational structure and well-coordinated management, as well as an overseas enterprise system that covers all major countries. By the year 2010, the total volume of import and export will reach US\$118 billion, with exports accounting for US\$60 billion. Foreign capital actually utilized will amount to US\$30 billion.

— **Different regions will develop side by side.** Different regions will be complementing one another with their strong points. Modernization will be achieved in the riparian regions. The Huaihai region will be approaching the standards of modernization. Regional gaps will be narrowed.

— **A higher level of urbanization will be achieved.** The level of urbanization will see a substantial rise in the rural areas, and will reach 60 percent in the whole province. The gap between urban and rural areas will also be narrowed considerably, and there will be significant improvements in cultural, recreational, transport, and other facilities in the rural areas.

— **The people as a whole will be leading an affluent life.** The people's livelihood will have reached the average standards of middle-income countries by that time. The dietary structure and nutritional composition will become more scientific and rational. Every household will have its own housing unit. Cultural, public health, tourist, sports, and recreational facilities will be improved. The health care system will be strengthened. There will be 35 telephones for every 100 people. New types of bulk consumer products, such as computers, will find their way into ordinary households. The urban and rural environments will be made more beautiful and greener. The average life expectancy will reach 74 years of age.

### **III. Maintaining the Rapid and Healthy Development of the National Economy**

#### **1. Accelerating Agricultural Modernization and Bringing About an All-Round Development of the Rural Economy**

On the question of agricultural modernization, the transformation of traditional agriculture into modern agriculture will be accelerated. The production of grain, cotton, and oil-bearing crops will see steady progress; multiple undertakings will be vigorously developed; township enterprises will be upgraded and developed; and efforts will be made to raise the level of intensive management and labor productivity in agricultural production. During the Ninth Five-Year Plan, annual grain output will reach 34 million tons, while the total output of cotton and oil-bearing crops will be maintained at about 500,000 tons and 1.5 million tons respectively. Efforts will be made to achieve basic agricultural modernization in a quarter to a third of the province.

#### **1. Great efforts will be made to improve agricultural production conditions and overall agricultural productivity.**

Farmland capital construction will be strengthened. The taming of the Huaihe River and Taihu Lake and other large-scale water conservancy projects will be completed. Unremitting efforts will be made to launch farmland capital construction, and the transformation of medium- and low-yielding fields as well as the building of high- and stable-yielding fields will be accelerated. By the year 2000, over 90 percent of farmland in the province will be effectively irrigated, 15 million mu of medium- and low-yielding fields will be transformed, and 10 million mu of farmland with a unit yield of one ton of grain will be built.

The comprehensive development of agriculture will be intensified. Efforts will be made to comprehensively develop the Huanghe-Huaihe- Haihe Plain, develop 1 million mu of shoals and beaches, open hilly areas, and transform the medium- and low-yielding fields in areas north of the Huaihe River.

A higher degree of mechanization will be achieved in agricultural production. Input to agricultural mechanization will be increased. Research and development on new types of farm machines and tools will be accelerated, and positive efforts will be made to achieve mass production of these new products as quickly as possible and to popularize their use. The use of water-saving irrigation tools will be popularized in hilly areas and areas north of the Huaihe River. Every endeavor will be made to achieve basic mechanization in agricultural production by the year 2000.

Energetic efforts will be devoted to developing the production of agricultural chemicals and achieving basic self-sufficiency in principal means of agricultural production. In the production of chemical fertilizers, a good job will be done in developing the large-scale chemical fertilizer project and nine smaller transformation projects for urea and ammonium phosphate production of the Nanhua Group. In the production of pesticides, old varieties will be improved and new ones that are more potent, safe, and economical will be developed. In the production of plastic sheets for agricultural use, the problem of "white pollution" will be resolved step by step; and multi-purpose plastic sheets that are anti-fogging, insulated and insect protected, and can kill weeds, will be developed. By the year 2000, our province will be 80 percent self-sufficient in chemical fertilizers, and will be basically self-sufficient in pesticides and plastic sheets for agricultural use.

**2. Science and technology will be relied on to invigorate agriculture and raise the technological level in agricultural production.**

By the year 2000, the share of contributions by scientific and technological achievements to the growth of the agricultural economy will reach 55 percent, and improved varieties will be planted in 95 percent of fields.

Close attention will be paid to the organization and implementation of the "Seed Project," with emphasis on the import, selection, and breeding of good and high-yielding varieties; the improvement of crop cultivation techniques; and the strengthening of the building of bumper-harvest plots and "fields with a unit yield of one ton of grain." By the year 2000, new types of seeds will be introduced for major agricultural crops throughout the province in order to achieve a 10 percent increase in the unit output of grain, cotton, and oil-bearing crops.

The building of three national-level "three-high agriculture" demonstration areas, 12 comprehensive demonstration bases for agricultural science and technology, and 100 science and technology demonstration townships and small towns each with its own characteristics will be grasped, and efforts will be made to run export-oriented comprehensive agricultural development zones well.

New technologies will be developed and put into application. In organizing the tackling of key scientific and technological projects for the Ninth Five-Year Plan, attention will be paid to the production of animals and poultry, aquatic products, silkworms and mulberry; the development of feed resources; the comprehensive prevention and elimination of crop diseases, pests, weeds and rats; the diagnosis, prevention, and treatment of animal diseases and epidemics; and the storage, preser-

vation, packaging, and deep processing of agricultural products.

Agricultural science and technology service networks that science and technology, experimentation, demonstration, and popularization will be improved and strengthened. Efforts will be made to strengthen training in agricultural science and technology, establish township and village training centers, stabilize the ranks of agro-technicians, and improve peasants' ability to use new techniques.

**3. The process of agricultural specialization and socialization will be accelerated, and a higher degree of organization will be achieved in agriculture.**

A policy of relying on key enterprises to spur on others will be implemented. Drawing support from production bases and taking processing and operational enterprises as the driving force, production and processing will be integrated with marketing, and trade will be integrated with industry and agriculture. During the Ninth Five-Year Plan, efforts will be made to establish 1,000 leading enterprises that combine industry, agriculture, and trade.

The provision of collectivized agricultural services will be strengthened. Existing services during the production process will be stabilized and improved upon, and services before and after the production process will be extended. Greater attention will be paid to the development of services for the promotion of township industries, new technologies and new products, as well as production and socialized services for peasants. At the same time, positive efforts will be made to develop intermediary organs for the rural market.

**4. Greater efforts will be made to promote farming on an optimum scale and to increase the degree of intensive farming in agricultural production.**

On the basis of upholding the household responsibility system on a contract basis with remuneration linked to output and the system of dual-level management, the promotion of farming on an optimum scale must be accelerated. Places in southern and central Jiangsu where conditions are favorable must strive to basically achieve farming on an optimum scale by the year 2000, while some of the under-developed areas north of the Huaihe River and in central Jiangsu must begin to do the same by then.

**5. Positive efforts will be made to develop diversified undertakings and to increase peasants' income.**

The road of bringing about the all-round development of agriculture, forestry, animal husbandry, sideline production, and fishery and integrating industry, commerce,



construction, transportation, and services will be followed by suiting measures to local conditions, putting the emphasis on key points, and bringing one's superiority into play. The project for achieving prosperity through the development of diversified undertakings will be accelerated, and production bases of considerable sizes will be built for diversified undertakings. Stress will be put on the planting of trees and afforestation. Animal husbandry and aquaculture will be developed, and efforts will be made to improve the dietary structure. By the year 2000, forestry, animal husbandry, sideline production, and fishery will account for 65 percent of the total value of agricultural production, and peasants' per capita net income will be growing at an annual rate of 6 percent after allowing for price rises.

**6. Secondary industry will be energetically developed in the rural areas to make the rural areas more industrialized and urbanized.**

Township industries will be upgraded and further developed, and "one-big and three-high" township enterprises will be fostered and developed. While ensuring that collective enterprises can maintain and increase the value of their assets, the overall quality of township enterprises will be improved through reform, transformation, and reorganization and through the strengthening of management. Steady steps will be taken to promote the property rights system and the creation of new forms of operation, readjust the scale structure of enterprises and the industrial structure, accelerate the fostering of key enterprises, hasten economic integrations that boost technological progress, strengthen integration and coordination with state enterprises, develop economies of scale, and continuously increase the degree to which township enterprises are open to the outside world. Township enterprises will be actively guided to become more centralized and to congregate around small towns and small industrial areas.

The planned development of rural small towns will be strengthened. Leading industries for small towns and the scale of development of small towns will be determined, surplus rural labor forces will be absorbed to the fullest extent, and a higher degree of urbanization will be achieved in the rural areas.

**Major measures for the development of agriculture and the rural economy:**

— Agriculture will be effectively given first priority in the national economy. The party's principles and policies for the rural areas will be conscientiously implemented, and the household responsibility system on a contract basis with remuneration linked to output and the system of dual-level management will be consolidated and perfected. Explorations will be conducted on

the establishment of a mechanism for the circulation of land, and positive and prudent steps will be taken to promote farming on an optimum scale.

— A mechanism for increasing agricultural input by diverse channels will be established, and the proportion of investment in agriculture by financial and credit authorities at various levels will be increased. Contributions to flood-prevention and security funds and development funds for priority agricultural projects will continue to be collected. Collective rural organizations, township enterprises, and peasants will be actively guided to increase input to agriculture, particularly input to agricultural science and technology, and the systems of encouraging the subsidization and development of agriculture by industry and using industry to develop agriculture will be further upheld and perfected.

— Farmland will be protected in accordance with law and recultivation [fu ken 1788 1083] will be intensified to stabilize the sown acreage of grain. Basic farmland protection areas will be designated in the whole province, the unauthorized use of arable land for nonagricultural developments will be strictly controlled, and the comprehensive development of reserve land resources will be accelerated. During the Ninth Five-Year Plan, between 500,000 and 700,000 mu of arable land will be recultivated to ensure that the sown acreage of grain will not be less than 88 million mu.

— The reform of the circulation system for major agricultural products will be deepened and the necessary reserve regulation systems will be established. The prices of important agricultural products will be sorted out, and gradual steps will be taken to create for peasants a market environment for exchange of equal values. Corresponding policies and measures will be formulated to facilitate the gradual raising of the commodity rate in the principal producing areas as well as the raising of the self-sufficiency rate in the importing areas.

— The household registration system for small towns will be reformed, and policies will be formulated to actively encourage and rationally guide the orderly transfer of surplus rural labor to nonagricultural sectors and small towns.

— Prices for important agricultural products will be gradually sorted out, and great efforts will be made to create for peasants a market environment for exchange of equal values. Positive steps will be taken to explore antifuuctuation mechanisms for important agricultural products so as to reduce risks borne by peasants entering the market. Excessive increases in the prices of means of agricultural production will be brought under control, and indiscriminate charges and unreasonable

apportionments will be prohibited in order to effectively lighten peasants' burdens.

**2. Optimizing and Improving Secondary Industry With the Emphasis on the Achievement of Better Scale Merits and a Higher Level of Intensive Management**

Taking the improvement of overall quality and operational quality as the central tasks and orientating toward domestic and international markets, major efforts will be devoted to the promotion of economic integration backed by scientific and technological progress in order to gradually develop a new pattern of export-oriented and intensive industries with machine-building, electronics, chemical, automobile, and building construction industries as pillars, new and high technologies as supports, and economy of scale as a distinctive feature.

**1. The machine-building, electronics, chemical, automobile, and building construction industries will be actively fostered and strengthened.**

Great efforts will be made to develop economies of scale, increase their degree of concentration, and strengthen their leading role by actively making use of foreign capital and importing advanced technologies, hastening the improvement of technological equipment, and increasing their self-development capacity so that they can become pillar industries which can bring along economic growth as a whole as well as the upgrading of the industrial structure. By the year 2000, the output value increased by pillar industries will account for 31.5 percent of GDP.

**Machine-building industry:** Great efforts will be made to develop advanced manufacturing technologies in order to provide various sectors of the national economy with advanced technical equipment. Taking integrated mechanical-electronic technology as the key, priority will be given to the development of digitally controlled equipment, engineering machinery, agricultural machinery and internal combustion engines, important mechanical parts, and various types of special machinery. In the development of digitally controlled equipment, the policy of simultaneously developing medium- and high-grade products and cheaper varieties will be adopted to vigorously develop and produce various types of digitally controlled systems and machine tools. As regards engineering machinery, major efforts will be devoted to the development and production of various types of engineering and construction machinery by organizing work round the Xuzhou Engineering Machinery Group at the core, and taking a high starting point, serialized production, and the achievement of a larger scale and a higher standard as the orientation, in order to build the Group into an important national research and pro-

duction center for engineering machinery. In the development of internal combustion engines, emphasis will be placed on diesel engines of various specifications for farm machinery, automobiles and other products, and support will be given to the Jiangsu Changchai Group in its endeavors to develop energy-saving diesel engines. Advanced and practicable agricultural machinery will be actively developed. Efforts will be made to improve the quality, to increase the life span of hydraulic parts and seal elements, and to develop and produce intelligent instruments and meters, environmental protection machinery and equipment, and testing devices.

**Electronics industry:** Attaching priority to electronic information industry and taking microelectronic devices and components as the foundation, priority will be attached to the development of modern communications equipment, electronic information products, new varieties of components and new digital consumer products. In the development of modern telecommunications products, priority will be given to the development of satellite, mobile and fiber-optic communications equipment and digital program-controlled exchanges, and support will be given to the Panda Electronics Group. In the development of electronic information products, priority will be given to computers and peripheral equipment, as well as electronic products for banking, commerce, and trade, and support will be given to the Jiangsu Hongtu Electronics Group in its endeavors to develop 586 microprocessors. In the development of components, microelectronic technology will be taken as the key to accelerate the development of large-scale integrated circuits, and priority will be given to the development of the Wuxi "908" project for the industrialized mass production of 6-inch, 0.8-1 micron integrated circuits while accelerating the development of trailing end encapsulation. New pellet parts and liquid-crystal displays will be energetically developed through the launching of the Wuxi Liquid-Crystal Plant and other projects. In the development of consumer products, priority will be given to large-screen color television, digital laser compact disk players and other new-generation audio-visual products. Support will be given to the Su Fei [5685 7378] Company to develop high-definition color television, and work on the second phase of Hua Fei [5478 7378] and other projects will be launched.

**Chemical industry:** Petrochemical industry will be taken as the point of breakthrough to bring along the development of fine chemical industry. At the same time, efforts will be made to ensure the steady development of inorganic chemical industry, and to transform and update agricultural chemical industry. In petrochemical industry, emphasis will be put on alkene and arene in the development of synthetic fibers, synthetic rubber and



raw materials for organic chemicals, and work on central projects such as the first phase extension and second phase construction of the Yangzi Project, as well as the fourth phase of Yizheng Chemicals will be accelerated. Positive steps will be taken to create the necessary conditions for the building of petrochemical bases in the coastal and riparian areas. At the same time, great efforts will be made to do a good job in developing the Jinling project for crylonitrile-acrylic fibers, the Nantong project for butadiene styrene rubber, the Zhengjiang Number 921 Plant, the Suzhou polyester project, the Nantong project for joint sea-river transport of crude oil, the Wuxi project for organic chemical raw materials, the Xuzhou project for methanol and acetic anhydride, the Lianyungang oil refinery project and other projects. In fine chemical industry, great efforts will be made to increase the added value and technological content of products, and develop fine processing and comprehensive utilization, with priority being accorded to the fine processing of diketene, as well as the production of fatty acid methyl ester sodium-sulfate (MES), polycarbonate, and polycarbon alloy. In inorganic chemical industry, priority will be given to the building of the Nantong ionic membrane project and the transformation of the ionic membrane caustic soda production line at the Beifang Alkali-Chlorine Company, and positive efforts will be made to start work on the Hongze marabilite project. In rubber processing, priority will be given to the development of meridian tires, and tires for engineering machinery and motorcycles. In the production of agricultural chemicals, efforts will be made to readjust the ratio between nitrogenous, phosphate, and potash fertilizers, as well as to increase economies of scale, and priority will be given to the building of a major chemical fertilizer project under the Nanhua Group Company.

**Automobile industry:** Adhering to the policy of "high starting point, specialization, mass production and high quality," the province-wide reorganization of the automobile industry will be accelerated, positive efforts will be made to form cooperative and equity joint ventures with major foreign companies, and measures will be taken to increase the degree of concentration. Priority will be given to the development of light vehicles, buses, special vehicles, motorcycles and key parts. By the year 2000, the province will have the capacity to produce 700,000 complete vehicles, 700,000 auto engines, 12,000 buses, 27,000 bus chassis, 3.5 million motorcycles, and 3.6 million motorcycle engines. The focal points will be developing the Yuejin Automotive Group, so that its annual production capacity reaches 600,000 complete vehicles, 700,000 engines, and 14 million key parts, developing the Jiangsu Yaxing Bus Group so that its capacity reaches 7,000 buses and 12,000 chassis.

and developing the Jincheng Group so that its capacity reaches 2.4 million motorcycles and 3 million engines. At the same time, a good job will be done in the transformation of production lines for front and back axles, vehicle fittings, oil tanks, spark plugs, and other key parts and accessories as well as in the transformation of the Wuxi VE Pump Plant, the East China Casting and Forging Center, and other plants.

**Building construction industry:** Centering round the building of state and provincial key projects, urban infrastructure, and housing units for urban and rural residents, transformation and reorganization will be accelerated by vigorously popularizing the use of new technologies, new equipment, and new materials, further improving the quality of building construction, extending the useful life of buildings, improving the overall quality of the industry, and actively participating in competition with other provinces and other countries. By the end of the Ninth Five-Year Plan, the added value of the building construction industry will be 45 billion yuan, about 5 percent of GDP.

## **2. Making use of high and new technologies to transform and improve the traditional pillar industries.**

Emphasis will be shifted from quantitative increases to qualitative improvements. The application of advanced manufacturing techniques and new materials and production processes will be vigorously promoted, technological transformation will be accelerated, the standards of technological equipment and the domestic content of machinery and equipment will be increased, the quality and grades of products will be greatly improved, the market share will be enlarged, and export earnings will be increased.

**Light industry:** There will be a shift of emphasis from quantity-oriented production to production which stresses quality, varieties, export, economy of scale, and efficiency. The effect of famous brand names will be fully tapped, technological transformation will be intensified, and the updating and optimization of the product mix will be accelerated. Priority will be given to the development of papermaking, household electrical appliances, foods and feeds, and packaging. Further improvements will be made in traditional trades such as the production of ceramics, plastics, and leather and hides; arts and craft will be further improved, and the interior decoration industry will be actively developed. In the development of the papermaking industry, priority will be given to high-quality paper and paper products while developing long- and medium-fiber pulp production on an optimum scale and concentrating on key projects like the building of a special reed pulp project. In the development of household electrical appliances, special

support will be given to the Jiangsu Xiaotianer Group and Chunlan Group in the development of drum-type washing machines, large-capacity freon-free refrigerators, and new varieties of air conditioners and kitchenware. In the food industry, convenient, nutritional and health foods and "green" foods will be actively developed, the proportion of wine and tobacco of high quality and famous brands will be further increased, and the construction of phase three of the Nantong Acetate Fiber Plant will be accelerated. In the feeds industry, priority will be given to the development of mixed feeds and raw materials for additives, and the development of feed protein resources will be accelerated. In packaging industry, the development and production of raw and ancillary packaging materials and packaging machinery will be accelerated, the quality of packaging products and printed packaging products will be improved, and pollution-free "green packaging" will be actively developed.

**Textile and silk industries:** Efforts will be made to control total supply and demand, optimize existing production elements, improve the grades, and increase export. The garment industry will be taken as the driving force in bringing about the development of shell fabrics and the improvement of finishing techniques after printing and dyeing. Efforts will be made to vigorously develop industrial fabrics, actively develop decorative fabrics, accelerate the development of new types of textile machinery, develop import substitutes, and increase the domestic content. The transformation of old factories will be accelerated by upgrading their technologies and equipment. The raw materials mix will be further optimized by building a number of key chemical fiber and chemical fiber raw materials projects, achieving better economies of scale in the production of chemical fibers, and imposing restrictions on production by small chemical fiber plants. The geographical distribution of industries will be actively readjusted, and the regional transfer of primary processing facilities will be implemented in the order of priority. Special importance will be attached to the development of the Wuxi polyester industrial silk project, the third-phase of the Dafeng viscose fiber project and the Lianyungang polyurethane silk project, and to the transformation of a number of finishing production lines.

### **3. Raw and semifinished industries will be appropriately developed.**

**Metallurgical industry:** Emphasis will be put on increasing the production of new "fine-quality, high-tech, special, and precision" products and varieties, energetically increasing the ratio of fine-quality products, the ratio of alloyed products as well as the board-pipe ratio, developing scarce items, grasping the transformation of the

Nangang, Sugang, Xigang, Shagang and Zugang (Iron and Steel) Companies, as well as the Huaiyin Metallurgical Corporation, in order to form one or two large and competitive iron and steel enterprise groups that have their own characteristics and have an annual capacity of 1 million tons. Appropriate efforts will also be made to develop the smelting of nonferrous metals which our province has an abundance of, and to energetically develop highly processed products.

**Building materials industry:** Priority will be given to the development of high-quality cement and fine-float glass and glasswork, and to the building of large and key projects, such as the China Cement Plant, phase two of the Huaihai Cement Plant, the Wuxi Jiadian Float Glass Plant, and the Donghai Glass Plant. New varieties of building materials, building ceramics, and sanitary wares will be energetically developed, and positive efforts will be made to promote the innovation of wall materials and energy conservation in building construction.

### **4. Efforts will be concentrated on fostering information; biological engineering; marine, pharmaceutical, and environmental protection, and other new industries.**

Choosing a "limited number of targets," emphasis will be put on the achievement of breakthroughs in the development of new high-tech products which will give our province a national lead and will have broad market prospects.

**Comprehensive information networks and related products:** The development of fiber-optic communications equipment and network information control systems will be accelerated, and cooperation will be maintained with leading international companies in the development of home multimedia machines, office automation systems, multimedia communications systems and terminals, and other products. By the end of the Ninth Five-Year Plan, our province will have an annual production capacity of over 1 million multimedia computers.

**Biological engineering technologies:** Efforts will be made to grasp the vegetable protein separation project, and to develop and produce genetic engineering drugs, biological vaccines and diagnostic reagents, new types of antibiotics and biological insecticides.

**Marine industry:** Taking the construction of the "Seabound Sudong" [hai shang su dong 3189 0006 5685 2639] as the opportunity, emphasis will be put on the development of aquaculture, marine chemicals, and marine biological products.

**Pharmaceutical industry:** Efforts will be made to foster 10 pharmaceuticals production bases and develop 13



types of key products. Priority will be given to the development of Vitamin C; cardio-cerebral-vascular, anti-tuberculous, anti-cancer, analgesic, anti-infective and gerontal drugs; and to the improvement of the technological standards of medical apparatus and instruments.

**Environmental protection:** Taking the Yixing Environmental Protection Industrial Park as the base, priority will be given to the development and production of advanced environmental protection equipment for sewage treatment, the treatment of atmospheric pollution, garbage disposal, and other purposes.

**5. Increasing the degree of organization and improving the overall quality of industries.**

Taking key enterprises as the core, competitive products as the driving force, and assets as links, efforts will be made to promote the reorganization of industries and the integration of enterprises and to increase the degree of concentration of industries. Every endeavor will be made to establish 50 enterprise groups each capable of generating over 5 billion yuan in revenue, five enterprise groups each capable of generating over 20 billion yuan in revenue, and one enterprise group capable of generating 50 billion yuan in revenue by the year 2000. The provincial authorities must intensify regulation and control, muster the necessary financial resources, and make use of economic as well as the necessary administrative means to energetically promote the development of economies of scale. Economies of scale must also be achieved in bank lendings and various kinds of funds.

Vigorous efforts will be made to promote technological progress in enterprises. Funds will be concentrated on the successful development of major projects which make use of advanced technologies and which have a high degree of incidence, high added value, and a large market share. The pattern of investment will be optimized to increase the comprehensive returns on investment. Technological and economic cooperation and industrial transfer between different regions will be further strengthened. During the Ninth Five-Year Plan, input to technological transformation in state-owned units will account for 35-40 percent of total input by state-owned units, and loans will account for over 40 percent of input to technological transformation.

**6. The strategy of relying on famous brand names will be implemented.**

The policy of giving selective support to a few strong enterprises, adhering to market orientation and economic efficiency as the central task, a number of products of the machine-building, electronics, automobile, light, and textile industries will be selected for the

improvement of quality and the building up of brand names through the comprehensive use of technological progress, economies of scale, quality control, image building, and other means in order to vigorously improve the technological and qualitative levels of these products, increase their market share and reputation, and increase the competitiveness of Jiangsu products. During the Ninth Five-Year Plan, a total of 500 famous brands of Jiangsu products will be created. Of these, 100 will be of international repute.

**3. Accelerating the Development of Tertiary Industry To Develop Overall Economic Superiority**

The positive role of tertiary industry in promoting market growth, increasing economic efficiency, ameliorating imbalances between the supply of and demand for funds and resources, and increasing employment will be fully brought into play. Tertiary industry will be energetically developed through scientific planning, increased input, and efforts to arouse the initiative of all quarters. While continuing to develop transportation and communications, priority will be given to the development of commodity circulation. The development of tourism, information, consultancy, technical services, and other new industries will be accelerated. Banking and insurance will be standardized and developed, and positive efforts will be made to guide the healthy development of the real estate sector. By the end of this century, tertiary industry will account for 36 percent of GDP, which represents an annual growth rate of 16 percent.

**1. Commodity circulation industry will be energetically developed.**

A number of circulation groups which are capable of opening up markets and promoting the sale of commodities will be organized and established in a planned and systematic way, and efforts will be made to establish three to five comprehensive trading agencies which are capable of operating in international markets and generating over 10 billion yuan in revenue.

In conjunction with the development of a provincial reserve system for important commodities, funds will be raised to build reserve depots for grain, cotton, edible oil, processed oil, chemical fertilizers, coal, and other important commodities in key cities, transport hubs, ports, and other places, and efforts will be made to improve the circulation infrastructure.

Modern forms of management will be energetically promoted. In the wholesale trade, emphasis will be put on the development of the agency system and the system for the allocation and delivery of supplies. In the retail sector, emphasis will be put on the development of chain-store operations. Priority will be

given to the development of a number of convenience stores and supermarket chains which have a vital bearing on the people's livelihood. Where conditions are favorable, franchised and chain stores for special and unique commodities will be developed. Barriers between different trades and regions will be removed and steps will be taken to standardize chain-store operations. Every endeavor will be made to establish over 5,000 chain-store outlets, with sales amounting to over 15 percent of the total volume of retail sales in the province, by the year 2000. Agency sales of bulk means of production and industrial consumer goods will amount to 30 billion yuan.

The modernization of circulation facilities will be accelerated to improve the efficiency of circulation services, and steps will be taken to basically complete the building of commercial computer management, electronic trading and electronic settlement systems.

## **2. Financial and insurance institutions will be standardized and developed.**

Conditions will be actively created for the development of various types of commercial banks. The reform of state-owned banks into commercial banks will be accelerated, and positive and proper steps will be taken to develop urban and rural cooperative banks. Every endeavor must be made to achieve the goal of basically establishing urban cooperative banks in all cities directly administered by the provincial authorities, and establishing rural cooperative banks in all counties (cities) which have reached a given scale of development and have the necessary strength. Positive steps will be taken to convince the China Steam Merchants Navigation Company, Everbright, Minsheng, and other commercial banks to establish branches in our province. The development of trust and investment companies, securities companies, finance companies and other types of non-banking financial institutions will be standardized. Steps will be taken to explore channels for the use of private capital and promote the development of funds. The establishment of the Jiangsu Development Bank will be stepped up.

The financial sector will be further opened to the outside world. Efforts will be made to secure approval for the establishment of Nantong, Lianyungang and other coastal open cities as well as Wuxi and other key economic cities as cities where the financial sector is opened to the outside world. Foreign financial institutions will be persuaded to establish branches or representative offices in Nanjing, Suzhou and other financially open cities in an effort to develop foreign banks or Sino-foreign joint-venture financial institutions.

The development of the financial market will be accelerated, and positive efforts will be made to take part in the national unified interborrowing market. The capital market will be vigorously developed, and the issuance of shares and bonds will be positively and appropriately increased. Positive steps will be taken to develop the market for negotiable instruments and to promote the systemization of commercial credits. The policy of gradually merging with the Shanghai International Financial Center will be implemented. Steps will be taken to establish links with major financial and securities markets such as Hong Kong, and direct links for the flow of funds will be established with other provinces, countries and regions.

The credit structure will be optimized and financial services will be improved. Steps will be taken to strengthen the management of the asset-liability ratio as well as risk management, to standardize the operations of commercial banks, to improve the quality of credit and asset operations, to actively create new financial tools, and to accelerate the management of finance by electronic means. Every endeavor must be made to achieve basic electronic banking, the modernization of payment systems and the networking of information systems in whole province by the year 2000.

The development of the insurance business and insurance market will be accelerated. Upholding the principle of separating social insurance from commercial, loss, and life insurance, great efforts will be made to establish regional insurance companies and special insurance companies. Fair competition and standardized operation will be practiced, and continuous efforts will be made to open up new areas of insurance, expand reinsurance, and develop joint insurance by Chinese and foreign underwriters. Insurance intermediary organs will be given encouragement and support to gradually perfect the market mechanism for the insurance sector and to properly manage and use various types of insurance premiums.

## **3. Guiding the development of the real estate sector.**

Real estate development will be closely combined with the building of modernized cities and the accelerated growth of small towns, and will be rationally distributed and conducted in an orderly manner in accordance with the overall planning for cities and small towns.

Control over the total supply of land will be strengthened, the primary land market will be regulated, and implementation of the system for the paid use of land will be intensified so as to gradually form a mechanism for the purchase, reserve, and transfer of land. The land-use pattern will be rationally readjusted, the differential benefits of land will be fully utilized, and existing real estate assets will be actively used.



The reform of the housing system for residents will be promoted in an all-round way. The "Comfortable Housing Project" will be launched with the emphasis on the environment and quality of housing. The proportion of affordable and functional housing units will be increased to improve the living conditions of the low-income masses while housing catering to the needs of those in high-income brackets will be developed in an appropriate way. During the Ninth Five-Year Plan, the floor space of urban residential units will be increased by 100 million square meters. Investment in real estate development will be rationally readjusted by shifting the emphasis to the construction of low- and middle-grade commodity housing. The proportion of commodity residential housing in real estate development will be increased. Priority will be given to real estate developments which are well-coordinated with construction projects as well as to urban infrastructure, and property management will be energetically promoted.

Great efforts will be made to open up fund-raising and financing channels for real estate development. Real estate mortgage and loans will be introduced and social funds will be taken as the main source of funds in real estate development. The system of public accumulation of funds for housing construction will be further improved upon. Development of residential commodity housing will be accelerated. Housing consumption credits and savings will be developed, and people will be encouraged to purchase housing units by installments.

#### **4. Tourism will be actively developed.**

Efforts will be concentrated on the tapping of tourist resources in four national-level and nine provincial-level scenic spots and seven historical and cultural cities, and a good job will be done in the development of two national-level and five provincial-level resort areas. Efforts will be made to achieve the projected scale of development and yield returns as quickly as possible. Planning and management will be strengthened, and steps will be taken to prevent the blind and repetitive development of artificial tourist attractions.

New tourism projects will be started. During the Ninth Five-Year Plan, each city must build at least one competitive tourism project which has its characteristics, is of considerable scale and has an obvious edge over its neighbors. Through-transport for tourists will be organized, and cultural, sports, recreational, sight-seeing, and leisure venues will be opened for tourists. Stress will be put on tours which are educational, which require active participation, and which offer much diversity. New ideas must be put forth all the time, and efforts must be made to achieve a benign cycle of input and output.

The tourist market must be further opened up. Every endeavor must be made to achieve the target of receiving 1 million overseas tourists and 44.08 million domestic tourists and expanding self-financed overseas trips considerably by the year 2000.

Tourist groups will be organized in order to improve the comprehensive service capabilities and the quality of service. One to two large tourist enterprise groups will be organized, and chain hotels will be developed.

#### **5. The development of information, consultancy services, and advertising industries will be accelerated.**

Fully capitalizing on the superiority enjoyed by our province in electronic, telecommunications, and information technologies and in human resources, all-out efforts will be made to accelerate the development of information and consultancy service industries. During the Ninth Five-Year Plan, every endeavor will be made to establish an information and consultancy service system which basically meets the needs of the socialist market economy and the internationalization of the Jiangsu economy.

Information resources will be energetically exploited and utilized. Attention will be paid to the development of various types of economic, scientific, technological, social, and public information sources, and efforts will be made to achieve the sharing of information resources and to promote the transmission of information in the national economy. Information services will center on network services and database services and will have electronic information technologies as their means. Efforts will be made to expedite the realization of the goals of developing information service operators into enterprises or groups, and achieving the commercialization, socialization, and industrialization of information services. With application promoting development, popular education will be conducted on computer applications and information technologies, and importance will be attached to research and development on databases and applied systems software. Information infrastructure will be strengthened, and positive efforts will be made to complete and enlarge pilot projects in Jiangsu for the state's "Gold Card Project," "Gold Bridge Project," and "Gold Taxation Project." In accordance with the blueprint of the state, regional sub-centers for national economic information highway will be built. The building of the Jiangsu information superhighway with the public communications network for post and telecommunications services as the main axis will be accelerated.

Consultancy services will be energetically developed. The service functions of consultancy will be further improved and upgraded by relying on modern science and

technologies, readjusting the modes, means, and substance of service, and establishing a modern consultancy service system based on scientific decisionmaking and scientific management. A number of key consultancy enterprises with professional expertise and credibility will be fostered and developed, regional and trade consultancy service networks will be established and perfected, consultancy service channels that cater to international market needs will be opened, commissioned and cooperative consultation will be developed with foreign countries, and the internationalization of consultancy services will be accelerated.

The development of the advertising industry will be accelerated in order to form a reasonably structured, multi-level, and omni-directional advertising information media system and advertising promotion system, both of which will be capable of serving all trades and will have good contacts with the mass media besides having high professional standards. Efforts will be made to increase the competitiveness of Jiangsu's advertising industry.

#### **4. Strengthening the Construction of Basic Facilities, Gradually Alleviating the 'Bottleneck' Restrictions**

A consciousness that recognizes the need for building basic facilities in advance and for building with an appropriately high starting point and lead time will be established. The pace of construction will be accelerated and strengths will be concentrated in order to complete a number of major projects and to gradually alleviate the "bottleneck" restrictions produced by the lack of basic facilities.

**1. Transport construction:** Taking the building of a modern comprehensive communications and transport system as the goal, stress will be placed on building national-level transport routes and provincial trunk lines, trans-river transport capacity will be expanded and faster and better transport systems connecting Jiangsu with other provinces (cities) will be established, so as to gradually form a transport net framework for the province.

**Highways:** Stress will be placed on building high-grade highways connecting the provincial capital Nanjing with the other cities under the administration of the province, and second-grade highways connecting the cities and counties of the province, while the sealing of the county and township roads will be basically realized. By the year 2000, throughout the province a further 2,200 kilometers of high-grade highway will have been added. Of these, 1,200 kilometers will be high-speed or first-grade highway restricted to motor vehicle use. The other 1,000 kilometers will be first-grade public highways. Also the goals of having the cities directly under the province connected by high-speed highways

and the counties connected by first-grade highways will be realized. The main construction tasks are: To complete the construction work for the six major backbone highway projects being built under the Eighth Five-Year Plan, to build the Xinyi-Huaiyin, Huaiyin-Jiangdu, Jingjiang-Wuxi, Xuzhou-Lianyungang, and the Yancheng-Jingjiang high-speed highways, to build the highway bridge across the Changjiang in Jiangyin County, to start work on building the second major bridge across the Chanjiang at Nanjing, to do well in the first-stage work for the major bridge across the Changjiang connecting Zhenjiang and Yangzhou and the tunnel under the Changjiang in Nantong and strive to commence actual construction, and to transform the Tongyu highway.

**Railways:** The transformation work to double-track the eastern part of the Lianyungang-Lanzhou line will be completed and a new long-distance line connecting north and south will be built.

**Sea Ports:** The first-stage engineering for Xugou [1074 3297] will be completed and construction work will begin on the third phase of the Miaoling [1680 1545] project at Lianyungang. Good work will be done in planning and development work for Lusi port, Chenjia port and Dafeng port, and good preliminary work will be done on other sea ports which have development prospects.

**Changjiang Ports and Other River Ports:** The functions of the river port systems will be improved and perfected. Stress will be placed on developing construction of Taicang [1132 0221] Port, so that as swiftly as possible it becomes a major commercial port which has a major function as a container hub port. The work of expanding and transforming Nanjing port, Zhenjiang Port, Zhangjia port and Nantong port will be stepped up, and the construction of other medium-size ports along the river will be improved. The dredging of the southern Jiangsu transport canals and the dredging of the navigation channels of the inner and outer ports of Suzhou and Shanghai [su shen 5685 3947] will be completed, and the through-flow capacity of the ship locks on the northern Jiangsu section of the Beijing-Hangzhou Canal will be improved. Also the navigation channels of the rivers in southern Jiangsu will be dredged. By the year 2000, there will be a further 1,000 kilometers of navigation channels (Grade Six) added for ships of 100 tons or above.

By 2000, 60 new berthing places will have been added along rivers in the province. Of these, 42 will be for ships of 10,000 tons and above, and 11 will be special berths for containers. The newly added through capacity will be 67.74 million tons and of this



the container handling capacity will be 1.41 million standard containers.

**Air Transport:** The construction of the Lutou airport at Nanjing will be accelerated. It is guaranteed that it will be basically completed by the end of 1996, and in the first half of 1997 it will be opened to air traffic. The construction of the Guanyin airport at Xuzhou will be completed and, at the same time, there will be improvement and expansion of some branch line airports.

**2. Posts and telecommunications construction.** The building of a modern communications system will be completed ahead of schedule. This will basically accord with the needs of national economic and social development and will basically satisfy the demands of implementing the information transformation of society. Advanced international standards will be pursued in terms of technical level, network scale and service quality.

**Post and telecommunications:** Taking the strengthening of comprehensive communications capacity and raising the technical level as focal points, new technologies will be adopted, and there will be movement in the direction of comprehensive, intelligent, broadband and individual services. Major efforts will be put into developing telephone networks, data communication networks, mobile communications networks and intelligent business networks. By the year 2000, the total capacity of local network telephone exchanges throughout the province will be 14 million switches and every administrative village throughout the province will be connected through telephones. Long-distance telephone exchanges will have a total capacity of 460,000 terminals. The postal hub project involving Nantong, Yangzhou, Lianyungang, Huaiyin and Yancheng will be completed. 20 core branch offices of quite some scale and with advanced equipment will be built, the letter-sorting in the core offices will be automated and a swift, highly efficient postal transport network between the cities and counties of the province will be established.

**Telecommunications:** A total of 4,500 kilometers of double-tracked optical cable and buried optical cable will be installed within the province. Efforts will be put into grasping well the building of the northern optical cable along the river and the northern optical cable along the coast. The construction of basic information facilities will be accelerated and the satellite and ground facilities will be integrated. Eleven new satellite communications earth stations will be built and a packet-switching data exchange network which covers all townships and small towns in the province will be established, as will

a digital mobile communications network which covers the whole province.

Stress will be placed on the coordinated development of communications between regions and between the urban and rural areas. The development of communications will be accelerated in the rural areas, and especially in those areas which are less developed, and work will be carried out to bring telephone lines to the villages.

**3. Electric power construction.** Stress will be placed on developing high parameter, high capacity generating sets, on optimizing the electric power structure and on rationally distributing generating points. The building of more capacity will be strengthened. The building of 9,000 megawatts of generating sets will be completed and we will achieve the goal of having 21,000 megawatts of installed capacity throughout the province by the year 2000. The main tasks are: Speeding the construction of the electric power projects which have continued from the Eighth Five-Year Plan; stressing the construction of a number of electric power projects, actively participating in the construction of the Yangcheng power plant and the Tianhuangping power plant; accelerating the first-phase work for some power plants in northern Jiangsu; striving to start work on building the Lianyungang power plant and, at the same time, strengthening the building of the power grid, so as to form a large 500,000-volt network. The level of power supply in the rural areas will be raised and by 1997 every village will be connected to electric power. Good work will be done in preparation for receiving power from the Three Gorges Project and the major southwest hydroelectricity generating project. At the same time, the province will actively do well in the work of producing and dispatching coal.

**4. Construction of water conservancy projects.** The Taipu He and Wangyu He projects will be completed. This will result in the flood control capacity in the Tai Hu area reaching a new standard whereby it will be able to withstand floods on the scale of those in 1954. The consolidation projects, including the channel for the waters of the Huai He to flow into the Chang Jiang, the large dyke on the Hongze Hu and the diverting waters from the Xinhuai He into the Xinyi He will be completed. Efforts will be made to open up a new channel into the sea, so that the flood control standard will reach a level of one emergency every 100 years. The engineering work by which flood waters from the Yi He, Shu He, and Si He will be directed south instead of flowing west will commence, so that the flood control standard reaches the level of one emergency every 20 years or more. Work on the Tongyu He will continue, and the river water guidance work in Taizhou will be completed. These measures

will mean quite a major improvement in the flood control conditions in the coastal regions and Huaibei region. Construction work on safeguarding the nodal points along the Chang Jiang and ensuring that sea and river dykes meet required standards will be stepped up. Combined with the catchment area management, flood control measures in urban areas will also be strengthened, so that the flood control capacity of the major cities will reach a standard where they will be able to withstand floods the scale of that in 1954. Current danger elimination and consolidation work as well as renewal and transformation work will be strengthened, so as to restore and improve the planned capacity of projects already built.

5. Construction of basic facilities in cities. The focus will be on resolving the problem of entering and leaving the medium-sized and large cities. A system of urban arteries will be built and large cities with the conditions will consider the establishment of subways, elevated railways, and ground-level light-rail systems, so as to actively develop public transport. Efforts will be made to begin work on the first stage of the Nanjing subway. Water supply capacity will be improved, and the focus will be placed on building medium-sized and large-scale backbone projects for regional water supply in the southern Jiangsu region. By the year 2000, piped water supply will be available in all organic small towns and the majority of the other townships and small towns. Great efforts will be put into developing domestic gas supplies for urban residents; and, by the year 2000, over 90 percent of urban areas throughout the province will have gas supply. The urban environment will be improved, and the focus will be put on dredging the river courses in urban areas and on building a number of sewage treatment works and garbage disposal sites. By the year 2000, 50 percent of domestic sewage in cities throughout the province will be treated. The transformation of the electricity net in urban areas will be accelerated; and, by the year 2000, the urban electricity net will basically meet the needs of urban development.

**The main measures for completing the tasks of construction of basic facilities during the Ninth Five-Year Plan.**

—There will be practical strengthening of the capacity for regulating and controlling the use of funds by governments at all levels and of management of the entire process of utilization of policy funds and other funds. Under the leadership of the provincial government, a system of contact meetings for balancing and coordinating key construction funds with the participation of planning, financial, banking, and pricing departments will be established. Overall arrangements will be

made to study funding and fund-raising policies, and systematic arrangements will be made for the utilization of extra-budgetary funds including credit funds and special project funds, as well as financial credit, stocks and bonds.

—Policies will be further relaxed and fund-raising avenues will be expanded. For major projects, standard limited stock companies can be established and conditions will be created whereby there can be public issue of shares and market trading both within and outside the borders. There will be breakthroughs in selling stock rights and operating rights for a fixed period in respect of communications, electric power and city government facilities, so as to speed the recovery and turnover of funds.

—There will be active utilization of foreign funds. In the utilization of foreign funds, there will be breakthroughs. In particular, stress will be placed on utilizing credit from international financial institutions, policy loans from abroad, foreign banks and large financial groups. Foreign businesses will be encouraged to invest independently, purchase shares in holding companies and increase the proportion of their investments. The BOT construction mode will be promoted and active efforts will be made to have the state specially allow BOT and investment by sole investors to be trial-implemented in Jiangsu.

—The policy of using electricity charges to fund electricity development and road charges to finance road construction will continue to be implemented. A rational electricity pricing mechanism will be established so as to, as quickly as possible, implement comprehensive electricity pricing and peak period and off peak period electricity prices. In the building of highways, approval, construction and operation will be arranged in accordance with the principles of unified planning, responsibility divided by level, and alliance between central and local authorities.

#### **IV. Implementing the Strategy of 'Using Science and Education To Invigorate the Province,' Raising the Level of Economic Development and the Quality of the Nation**

##### **1. Science and Technology**

The progress of science and technology will be accelerated throughout the whole society. The combining of science, technology, and the economy will be promoted, and economic development will be earnestly shifted to the track of reliance on science and technology. By the year 2000, the science and technology component of agricultural and industrial economic growth will be 55



percent and 45 percent respectively, the main technical equipment of 80 percent of the medium-sized and large enterprises throughout the province will have been renewed; and, on average, over one-third of the major equipment of industrial enterprises will reach advanced standards of the end of the 1980s and the beginning of the 1990s.

**1. Strengthening basic research.** In accordance with the economic and social development needs of our province and with applied basic research and high-tech research as the main focus, in the spheres of information sciences, life sciences, engineering technology, materials sciences, environment and resources technologies, basic agricultural sciences, basic medicine and maritime sciences, we will select a number of outstanding projects involving basic theory and basic technology which have a good basis, are influential and which are in a forward position in the international arena, and include these in state and provincial key scientific and technical plans. The capacity to tackle core problems will be stepped up and, following international advanced technologies, efforts will be made to achieve breakthroughs in the spheres of biological engineering, new materials and electronic technologies. The focal point will be to master 15 important key technologies which relate to the development of backbone technologies and high-tech industries, including multimedia technologies, fuzzy logic control technologies, digital mobile communications technologies, integrated circuit computer-aided design technologies, microprocessing and mating technologies. The scientific and technological research institutions and offices will be supported to participate in the state "200" project, and relying on scientific and technological research institutes and offices and tertiary institutes, a number of key state and provincial-level laboratories will be improved or established. The fostering of a group of outstanding young and middle-aged skilled personnel as well as academic, engineering and technical leaders will be accelerated.

**2. The integration between science and technology and the economy will be strengthened, and the pace at which high and new technologies are applied in industrial production will be accelerated.** The "Jiangsu Provincial Plan for Strengthening the Integration of Science, Technology, and the Economy" and the "Jiangsu Provincial Plan for High and New Technologies and Turning These Into Industrial Production Capacity" will continue to be implemented. By racing to command a controlling position in economic development and centering around the four spheres of electronic information (including modern communications), biological technology, mechatronic integration, and new materials, stress will be placed on the development of pro-

grams and industrialization projects that have high starting points, good market prospects and those that can promote the development of high- and new-technology industries. Thereby, we will form a new point of support for our province's economy. In the field of electronic information, the focus will be on grasping well multimedia home computers, electronic banking tools, local-use program-controlled exchanges, and videophones. In biological technology, the focus will be on grasping well genetically engineered human insulin, tumor necrosis factors, schistosome antipathogen vaccine, and secondary transgenesis cotton. In mechatronic integration, the stress will be on grasping well the 880/840 flexible digital-control systems, digital-control AC servo-systems, digital-control processing centers, and a 400-ton all-surface vehicle hoist. In the area of new materials the focus will be on developing polycarbonates, nylon- 12, multi-element and multiform small denier silk, alkali-free direct melting glass, and silicon nitride ceramics.

The building of high and new technology development zones will be promoted. The building of national-level high and new technology industrial development zones at Nanjing, Suzhou, Wuxi (including the Yixing Environmental Protection Technology Industrial Park) and Changzhou will be accelerated. Also, technology imports and the transformation of scientific and technological achievements into production capacity will be stepped up. The technological and equipment levels, technological innovation capacities and scientific management levels of the enterprises which enter the zones will be continually raised.

**3. Grasping well the intermediate links in the transformation of scientific and technological achievements into production capacity.** In accordance with the development needs of our province's backbone industries, basic industries and newly-emerging industries, and using the existing facilities as a base, a number of engineering technology research centers, industrial experimental and scientific and technological development (pilot) bases, and industrial technology centers will be newly established or improved. The tackling of important scientific and technological problems, the development of new products, dissemination of technologies, the import, digestion and absorption of technologies, and technical transformation will all be tightly integrated and the technological advancement of enterprises will be promoted. By the year 2000, the basic technological facilities will every year provide over 200 engineering technologies which will have a definite effect on turning high and new technologies into production capacity.

**4. Efforts will be made to create an environment beneficial to the integration of science, technology and the economy.** The integration of production, teaching, and research will be strengthened, the science and technology system will be further reformed, the structure of the science and technology system will be readjusted, market mechanisms will be introduced, there will be rational deployment and optimal allotment of scientific and technological resources, and the development of non-government scientific and technological operations will be supported. Legislation relating to science and technology will be accelerated, and the scientific and technological progress of the whole society will be promoted. Investment in science and technology will be increased, and the building of basic scientific and technological facilities will be strengthened. Service systems for the transformation of scientific and technological achievements into production capacity and technological commodity circulation systems will be perfected. International cooperation and exchange will be widely developed. Stimulatory mechanisms for promoting the progress of science and technology will be established, and the role of scientific and technological personnel will be fully brought into play.

## **2. Education**

Education will continue to be firmly placed in a strategic position and will enjoy priority development. Century-straddling "skills engineering" projects will be implemented in order to accelerate the fostering of a large number of skilled persons who will straddle the centuries and in order to continually improve the ideological, moral, scientific, and educational levels of all workers and improve the degree to which all people receive education.

**1. Basic education will be continually strengthened.** The focus of basic education will be placed on the rural areas. In 1996 the system of compulsory nine-year education will be popularized throughout the province, and the results achieved in anti-illiteracy work among young people will be consolidated and developed. Attention will be given to developing preschool education. By the year 2000, middle and tertiary education will basically be universally available in the urban areas throughout the province and in the regions along the Chang Jiang.

**2. The development of tertiary education will be accelerated.** The fostering of skilled people in particular specialties as well as persons with various specialties will be accelerated. Beginning in 1996, taking 1995 as the base year, each year a further 10,000 students will be added to tertiary institutions. By the year 2000, the proportion of vocational school students will be 1:2. Of this the ratio for local tertiary institutions will be

1:2.5. The total number of tertiary students studying will be about 350,000. The proportion of research students as compared to undergraduates will be about 13 percent. At the same time as jointly building with the state institutes and schools affiliated to central departments, stress will be placed on building Nanjing Normal University, Suzhou University, and Yangzhou University, and efforts will be made to include these in the "211" program. In accordance with the focal points and demands of Jiangsu's economic and social development, about 90 key courses will be established.

**3. Vocational education will be strongly developed.** In accordance with the needs of modernization, a new round of on-the-job training and employment training will be carried out. The development of middle and tertiary level vocational education will be accelerated, structures and deployments will be optimized. By the year 2000, middle and tertiary level vocational education will constitute about 65 percent of middle and tertiary level education.

**4. Adult education will be powerfully developed.** On-the-job retraining of personnel will be actively developed, and various kinds of professional qualification training, and technical grade and position certification training will be promoted. By the year 2000, the rate of on-the-job training for personnel in urban and rural areas will be 50 percent and 30 percent respectively. Rural workers will on average receive 8 years of education.

**5. Education conditions will be improved and the building of the teaching contingent will be strengthened.** By the year 2000, governments at all levels will have greatly increased investment in education, and they will strictly implement the stipulations of the "three growths and one priority" as set down by the provincial party committee and provincial government, and implement the spirit of the "Chinese Education Reform and Development Program." There will be a rather large improvement in primary school buildings and facilities throughout the province, while tertiary institutions, adult tertiary institutions, and middle-level specialist colleges will all reach the facilities standards set by the state. A radio and television educational network will be established throughout the province. The rights and interests of teaching staff will be protected in accordance with the law, the teaching contingent will be stabilized, and the quality of teachers will be improved.

## **V. Implementing the Strategy of Economic Internationalization, Improving International Competitiveness**

The policy of having the "three openings to the outside" [san wai 0003 1120] proceeding together, being grasped



together, and blending together" will continue to be upheld, and an open economy will be developed in a larger scope, over a larger sphere and at a higher level. The opening up to the outside world will be further expanded, and a high degree of external economic orientation will be maintained. There will be active participation in the international division of labor, and full use will be made of both international and domestic markets and the two types of resources. Economic operations will then gradually be brought into accord with international practices, and efforts will be made to ensure that the growth in foreign exchange earned through exports and the growth in the amount of foreign funds utilized will both be higher than the speed of growth of the overall provincial economy.

**1. Efforts will be made to establish as quickly as possible a situation where the province is open to the outside in all respects.**

The soft and hard environments for drawing in foreign funds will be improved, and good work will be done to try to open up the Xuzhou and Huaiyin regions to the outside world. Efforts will be made to realize the opening to the outside of the entire province. In coordination with the building of Shanghai into an international trade center, plans are being made to establish regional international trade centers in the southern Jiangsu region, Nanjing, and Lianyungang. With the Suzhou-Singapore Industrial Park as the focal point, the building of national- and provincial-level development zones will be accelerated, so that they become economic growth points as quickly as possible.

**2. Utilizing foreign funds in a positive, rational and effective way, and realizing new breakthroughs in terms of the quality and level of utilization of foreign funds.**

Foreign businesses will be encouraged and guided to invest directly, and they will be urged to participate in and develop industries including resources, transport, telecommunications, comprehensive development, and utilization of agricultural products, raw and semi-finished materials industries, and high and new technology industries. The areas in which foreign investors can invest will be expanded so as to induce large-scale investment in low- and medium-grade housing and other public facilities in urban areas. Foreign businesses will be encouraged to participate in the technological transformation of existing enterprises, and the degree to which commercial and financial industries utilize foreign funds will be expanded. The foreign businesses will also be encouraged and guided to invest in and develop northern Jiangsu.

The scale of foreign funds utilized will be increased. A number of medium-sized and large state-owned enterprises will be further organized and supported in equity and cooperative joint ventures with internationally renowned multinational companies and large enterprise groups. Also, a number of major projects that have a large scale of funds, high technological level and that play a strong encouragement role will be implemented, and the utilization of foreign funds will be tightly integrated with the readjustment of our province's industrial structure. The indirect utilization of foreign funds will be strengthened, further financing channels will be opened up, and new modes of utilizing foreign funds will be explored.

**3. Firmly upholding the principles of "scoring victory through quality" and "diversification of the market," and expanding foreign trade.**

The import structure will be optimized and great efforts will be put into importing advanced practical technology from abroad as well as advanced mechatronic products. Product grade and technological level will be raised, the export of highly processed and precision-processed products and full sets of equipment will be expanded, the technological content and added value of export products will be raised and a batch of quality Jiangsu products which are well-known in international markets will be developed.

The export of mechatronic products will be supported through many channels, and individually operated export enterprises will be supported in opening up foreign markets. A number of large-scale enterprise groups that export mechatronic products will be developed and fostered, so as to form export operations of scale. By the year 2000, mechatronic product exports will constitute 28 percent of all foreign trade exports.

On the basis of consolidating and developing our province's traditional export markets, we will open up markets that have quite strong complementarity with our province, including those of the developing countries of Asia, Africa, and Latin America, the Commonwealth of Independent States, and Eastern Europe. A funds safeguard system for foreign trade will be established and developed, and enterprises will be supported in opening up diversified international markets.

**4. Actively developing investment abroad and diverse forms of international economic and technological cooperation.**

Project contracts and labor cooperation will be expanded from mainly construction tasks to other, diverse fields, to large-scale operations, and to technological spheres. Medium-sized and large state-owned enterprises and

those township and small town enterprises with the right conditions will be encouraged to operate abroad and develop multinational operations including foreign investment. Enterprises will be encouraged to go to Asia, Africa, Latin America, and Australia to develop resources that our province lacks. Those regions, departments, enterprises, and scientific research institutes with the right conditions will be encouraged to link up and to establish windows or production processing points abroad. Opening up to the outside will be accelerated in the science and technology sphere, while close technological cooperation relationships between scientific research institutes and similar bodies abroad will be promoted. Scientific and technological research organs from outside the province and abroad will be encouraged and drawn in to the province to engage in cooperative research. Foreign investors will be encouraged to come to our province to participate in the development of high and new technologies, or to use their technologies to become shareholders and develop and produce high and new technology products. A technology trade system that is in accord with international practices will be established, so that international technology trade is expanded.

**5. Gradually implementing national treatment for foreign-invested enterprises and actively building an environment which accords with the operations of international capital.**

National treatment will be given to enterprises funded through foreign investment, and gradually operations will be conducted in accordance with international practices. Gradually the domestic market will be opened to foreign-invested operations that produce technologically advanced products, those which can replace imports, and those basic industries that accord with the industrial policies, and markets will be exchanged for funds and technology.

Two or three import-export businesses that are quite well known internationally and have a good reputation will be selected as open import-export trade experimental points, and they will be permitted within a certain scope, to engage in general trading activities. Restrictions on investment by foreign firms in information services will be relaxed, and efforts will be made to operate experimental points in terms of open commercial wholesaling and retailing business.

More regular international liner services that connect the province with the outside world will be initiated. At the same time, one or two major international airline service companies will be allowed to establish ticket sales and freight collecting centers for the international and domestic airline markets.

**6. Deepening reform of the foreign trade system, improving the foreign economic relations and trade system, and strengthening the integration of industry and trade.**

The import management system will be reformed, and a mechanism that is beneficial to improving the import structure and promotes the import and digestion of technology will be established.

The switching of the operational mechanism of foreign trade enterprise will be accelerated, the shareholding-system transformation of foreign trade enterprises will be actively implemented, and enterprise alliance will be strengthened so as to form a number of trading group enterprises and comprehensive trading companies which have foreign trade enterprises as their main part and in which development, production, and operations are combined.

The building of the foreign economic relations and trade network will be strengthened, the autonomous development capacity of enterprises abroad will be increased, and large-scale enterprises will be given foreign trade, financial, and investment rights. Taking large-scale private import and export companies as the main elements, product complementarity relations and the radiating functions of related industries will be utilized in order to develop a number of large multinational companies.

**VI. Implementing the Strategy of Common Development of Regions, Optimizing the Deployment of Productive Forces**

Relying on key cities, the rational deployment of the productive forces will be promoted along key economic axes including the Changjiang, the coast, the eastern part of the Lanzhou-Lianyungang railway and the Grand Canal. Through the development of two economic regions, the implementation of the two century-straddling projects and the promotion of urban-rural integration, the trend of expanding differentials between regions will be alleviated and urban-rural development will be further coordinated.

**1. Two Economic Regions**

1. The economic region along the Chang Jiang. Existing economic and technical superiorities and the positional advantage of being able to reach the sea along the river will be brought into play, and the track merger with the development and opening up of the Changjiang delta area and the region along the Changjiang, which has Shanghai as its main element, will be accelerated. Greater steps will be taken to switch the economic



growth mode and improve economic quality and performance. A high and new-technology belt will be built along the Shanghai-Nanjing railway line, and the areas along the banks of the Chang Jiang will be developed, so as to gradually form a riverside basic industry belt. There will be active participation in high-level international economic cooperation and competition, as well as participation in the development of the Pudong area in Shanghai. The development of Lusi port and Taicang port will be accelerated, so as to form new economic growth points, and so as to form a powerful radiating and encouraging effect in the Huaihai area.

2. The Huaihai economic region. The superiorities of Lianyungang as the eastern end of the Asia-Europe land-bridge and of Xuzhou as a transport hub will be fully brought into play. The various beneficial factors of the Asia-Europe land bridge operations will be well utilized, while the double-tracking of the eastern part of the Lanzhou-Lianyungang railway, the construction of the first-grade highway between Xuzhou and Lianyungang will be accelerated, and a Xuzhou-Lianyungang economic belt will be established. A northern Jiangsu spark industry development belt will be established. A coastal zone will be developed which will make full use of the advantages of marine and coastal resources, and this will be turned into a coastal economic belt. The construction of new long-distance railways will be accelerated and the transport capacity of the Hangzhou-Beijing Grand Canal will be increased. The progress of economic development in the hinterland of the Huaihai region will be accelerated and, utilizing the advantages of nonmetallic mineral resources and agricultural products, township and town enterprises will be actively developed, diverse operations will be powerfully developed, and the incomes of peasants will be greatly raised.

## 2. Two Century-Straddling Projects for Regional Development

**The coastal project in eastern Jiangsu:** During the Ninth Five-Year Plan period, taking the comprehensive development of a million mu of coastal and beach areas as a breakthrough point, there will be overall development of marine industries in all respects. A new commodity grain and cotton production base area will be established, marine aquaculture, long-distance trawling and seafood processing will be developed. A coastal forest range system will be established, a livestock and poultry base will be built up, and there will be great improvement of water conservancy projects, electricity supply, transport and other basic facilities. Coastal tourism and marine transport will be developed and conditions will be created whereby foreign funds can be drawn in and new and high technologies can

be used to develop marine chemical industries and marine biological products. Strengths will be centralized to accelerate the construction of ports and electricity generating capacity. Great efforts will be put into coastal industry and modern marine chemistry, so as to form a new group of coastal ports and a heavy and chemical industry base. By the year 2010, the output value of the marine industries will be equivalent to the current agricultural output value of our province's three coastal cities.

**The project to bring prosperity to the Huaihei region.** The agricultural base will be strengthened, good work will be done in developing the Huang He-Huai He-Hai He region and quality construction will be carried out in those counties that are major producers of grain and cotton and in the production bases for the various agricultural products. The development and utilization of mineral resources will be accelerated and the focus will be on developing rutile, gypsum, and quartzite mining as well as salt mines. Great effort will be put into developing diversified operations, there will be positive development of township and town enterprises; and, through establishing an integrated entity of planting, raising, processing as well as production, processing, and sales, it will be possible to spur on the development of special products and transfer of rural labor, actively foster various types of commodity markets with local characteristics and accelerate the pace at which peasants escape from poverty and become prosperous. The construction of basic facilities including transport, water conservancy projects, and electricity supply equipment will be strengthened, both production conditions and the investment environment will be improved, and the pace of urban development will be accelerated. Slanted policies will be implemented so as to guide resource-processing industries and labor-intensive industries to gradually shift to the Huaihei region. Stress will be placed on establishing a number of backbone industrial projects and fostering some superior key enterprises. The training of skilled personnel will be accelerated and great efforts will be put into developing education. There will be great improvement in medical and health conditions; and, prior to 1998, the project to reduce the fluorine in water in high fluorine-content water areas will be completed. This will enable the drinking water in these areas to meet health standards. The coverage area of radio and television broadcasts will be expanded. It is guaranteed that by 1999 this region will have eliminated its financial deficits, by the year 2000 it will have achieved a reasonably well-off status and by 2010 it will be moving toward prosperity.

### **3. Speeding Urban Modernization and the Urbanization of the Rural Areas, Promoting the Process of Urban-Rural Integration**

The policy of rationally developing large cities, actively developing small cities, and powerfully developing small towns will be firmly upheld so as to construct a rational urban system as quickly as possible, raise the level of urbanization of our province, and, through the powerful development of the rural economy and the building of small towns, accelerate the process of urban-rural integration.

The urban band along the Shanghai-Nanjing railway will be raised to a new level, and great efforts will be put into promoting the development of the cities along the Chang Jiang, the coast, the eastern part of the Lanzhou-Lianyungang Railway, and the Beijing-Hangzhou Grand Canal. Urban construction will be stepped up and the cohesion and radiating roles of the key regional cities will be strengthened.

In accordance with the demand to build modern cities, the planning, construction, and management of medium-sized and large cities will be done well. Urban planning will accord with the needs of economic and social development but will also vary with each city, manifesting special characteristics and staying appropriately ahead. The construction and management experiences of Zhangjia Port will be popularized, attention will be centered on resolving well the transport and environmental problems of cities, funds will be raised through many channels, and investment will be increased, so that the basic urban facilities accord with the development needs of urban modernization.

The role of the small cities and towns in linking the urban and rural areas will be fully brought into play and the development of small cities and towns will be accelerated. Centered around the economic and social development of the rural areas and the improvement of cultural life, the transformation of rural areas into small towns will gradually be realized. By 2000, 30 percent of the province's organic townships and market towns will have been built into new socialist cities and towns that will "have rational layouts, complete facilities, convenient transportation, complete services, beautiful environments, and local characteristics." When establishing planned areas for small cities and towns, the stress will be on economizing on land. The designers will be encouraged to have the industrial zones and the residential areas quite centralized, so as to control the amount of land used. In 1996, the township and small town planning will be completed, and by 2000, the village and hamlet plans will be completed.

Urban-rural integration will be promoted so as to change the "dualistic" urban-rural structure as quickly as possible and so as to achieve major melding between the urban and rural areas in the spheres of industry, technology, and culture. Thereby it will be possible to achieve a situation whereby the cities bring along the rural areas and the rural areas promote the cities; there are complementary advantages, and common prosperity is achieved.

### **7. Firmly Upholding Sustained Development, Promoting the Overall Development of Society**

#### **1. Promoting Coordinated Development of the Population, Resources, Environment and Economy**

During the Ninth Five-Year Plan period, it will be necessary to put very great stress on coordinating economic development with the development of the population, resources, and the environment, to strengthen the power of law enforcement and protect the natural environment.

##### **1. Controlling the total size of the population, expanding employment.**

—Population growth will be strictly controlled. By 2000, the overall birth rate for women in the province will have been brought down to about 1.5, and the natural population growth will be kept under 6 percent. We will continue to increase population consciousness throughout the whole province, implement the "China Planned Parenthood Work Program (1995-2000)" in an overall way, and maintain the stability and continuity of population and birth policies.

—Efforts will be made to increase employment. Surplus rural labor will be guided and organized, the coastal and beach areas will be developed, basic construction of agricultural fields will be strengthened, and comprehensive development of agriculture will be pursued in a big way, so that the employment capacity of primary industry is expanded. Township and small town enterprises will be actively developed and the building of small cities and towns will be stepped up. Surplus rural labor will be guided to shift, in an orderly way, into non-agricultural industries. Great efforts will be put into developing tertiary industry, so as to provide more employment positions. Employment avenues beyond the province will be opened up, and the export of labor and international labor cooperation will be developed. Employment training will be strengthened, employment opportunities will be increased, and the "reemployment project" will be implemented in an overall way.

##### **2. The rational development and effective protection of natural resources.**



I. Land resources will be used in a highly effective way and there will be strict protection of cultivated land. Awareness of state land policies will be strengthened and the area of first-grade agricultural land protection zones will be maintained at over 90 percent of total cultivated land. Land development and recultivation [fukēn 1788 1083] will be strengthened, and there will be rational establishment of forest areas and pastures, so as to raise the green plant coverage rate and forest coverage rate. By 2000, throughout the province we will have achieved a greening and forest coverage rate of 11 percent.

II. Water resources will be rationally developed and utilized. The water supply problems of the coastal areas, Huaibei and the Qiling mountainous region will be resolved. The focus will be placed on further expanding the work to divert water from the Chang Jiang northward, improving water supply conditions in Xuzhou and Lianyungang, and expanding the eastern diversion of water from the Chang Jiang, so as to resolve the water supply problems of industrial and agricultural production in the Lixiahe region, the eastern coastal region, and the Binhai, Funing, and Xiangshui areas north of the canal, as well as for the development of the foreshore areas along the coast. The use rate of transit water resources will be improved and there will be rational development and utilization of underground water. To guard against ground subsidence in the three cities of Suzhou, Wuxi, and Changzhou, various effective measures will be adopted to economize on water use.

II. The resources along the shoreline of the Chang Jiang, along the coastal belt and around Taihu and Hongzehu will be rationally utilized, and protection of resources will be strengthened. In accordance with the principle of "fully utilizing deep water and sparingly utilizing shallow water," and in the light of the dredging of the Chang Jiang mouth, overall arrangements will be made to guarantee the needs of the ports as well as industries that require large-volume transport and use lots of water, and will ensure that these arrangements are linked with the cities' own plans. A project for treating sewage discharged into rivers will be built and the formulation of relevant legislation for the utilization and protection of that part of the Chang Jiang's shoreline that runs through our province will be accelerated. There will be rational development and strengthened protection of the coastal belt. There will also be rational development and strengthened protection for Taihu and Hongzehu. The establishment of catchment area management systems and modes will be explored, while the efforts put into dealing with pollution will be stepped up and the industrial layout will be readjusted.

IV. The relative superiorities of our province in terms of mineral resources will be brought into play and the resources constituted by salt mines, gypsum mines, and new construction material mines will be rationally developed and utilized. The pace of prospecting for oil, gas, and titanium will be stepped up. The management of mineral resources will be strengthened and illegal and arbitrary mining will be strictly prohibited.

**3. Earnestly strengthening environmental protection and stopping the trend of environmental degradation.**

We will firmly uphold the synchronous planning, synchronous implementation, and synchronous development of economic construction; urban and rural construction; and environmental construction. Clean production and clean energy will be strongly promoted. The previous situation of only paying attention to final treatment will be changed, and environmental treatment will be extended to the whole production process. Replacement energies will be developed to reduce the harm to the environment. The environmental quality of the various cities and villages throughout the province will be basically maintained and will not see further degradation. The environmental quality of some cities, some regions, and some key water systems will be improved, and the trend of deterioration in the natural ecology will be checked.

I. Industrial pollution will be brought under control. A century-straddling greening program will be implemented. The focuses will be those industries that are quite serious polluters, including energy, chemical industry, metallurgy, construction materials, and the light and textile industries. Major individual polluters will be required to bring their pollution under control within a fixed period. Strengths will be centralized in resolving well the key environmental problems of our province. By 2000, the treatment rate for waste water from industry throughout the province will reach 73 percent, while the treatment rate for waste gas will reach 90 percent. The comprehensive utilization rate for solid industrial wastes will reach 70 percent.

II. The implementation of three major campaigns for dealing with water pollution in the Huaihe, Taihu, and in the canals of southern Jiangsu will be organized.

In the canals of southern Jiangsu, 49 environmental control projects will be completed, and 40 projects will involve implementation of controls within a set period or require that the operations be closed down, merged, switched, or transferred. Ten centralized plants for treating polluted water and four projects for establishing township and small town industrial planning zones and for minimizing pollution will be established.

At Taihu, 45 key projects for dealing with industrial pollution will be completed and 36 urban sewage treatment plants will be newly established or expanded. The implementation of the project to "divert water from the Chang Jiang to Ji Tai" and the project to construct Zhi Hu Port will be organized, a lakeside ecological agricultural zone will be established, and the amount of pollutants flowing into the lake will be greatly reduced. This will ensure that there is a clear improvement in the water quality in Taihu.

In the Huaihai region, 169 projects involving cleaning up pollution within a set period and 62 closure, merger, transfer, or shifting projects will be completed. Thirty-two centralized treatment projects will be built in urban areas and by 2000, the aim of cleaning up the water of the Huaihe will have been achieved.

III. The comprehensive renovation of the urban environment will be strengthened. The urban industrial layout will be readjusted and the building of environmental protection facilities will be combined with the building of basic urban facilities. Management of the sources of urban pollution and management of urban environmental noise pollution will be stepped up. Urban sewage treatment works will be built in a planned way and the building of facilities for harmlessly dealing with household rubbish and human waste will be accelerated. Urban gasification and centralized heating will be grasped well, so as to reduce pollutants in the atmosphere. Urban greening will be strengthened and the urban ecology will be improved.

IV. Rural environmental protection will be strengthened. Consciousness of rural environmental protection will be strengthened and agricultural chemicals and chemical fertilizers will be utilized scientifically and rationally, so as to protect the natural ecological environment in the rural areas. The development of township and small town enterprises will be rationally centralized and there will be a rational layout. Township and small town enterprises will be strictly controlled in terms of preventing them from engaging in production that is seriously polluting. Township and small town enterprises that have high waste, poor performance, and serious pollution will be closed down, required to stop production, merged, or shifted. Other township and small town enterprises will be assisted in a planned way to adopt centralized control measures to treat their wastes. We will guard against urban pollution sources being transferred to the countryside. Ecological agriculture will be powerfully developed and efforts will be put into building ecological counties, while the development of green products will be supported.

V. Environmental protection investment will be stepped up. In building new projects there will be strict implementation of the "three synchronicities" and in expansion projects the old must be replaced by the new in the handling of pollution. The system of collecting sewage charges will be reformed. Charges based on amounts in excess of set standards will be replaced by "charges for sewage discharge and fines for amounts in excess of the set standards." Environmental protection investment as a proportion of GDP will be raised.

#### **4. Giving great attention to economizing on and comprehensive utilization of resources, powerfully raising resource utilization rates.**

The principle of concurrently pursuing resource development and economizing, with economizing placed in prime position, will be upheld. A high degree of attention will be paid to economizing on energy, resources, and raw materials, to raising resource utilization efficiency and to promoting a switch in enterprise operational modes and economic growth modes. Legal, economic and administrative measures will be adopted, and great efforts will be put into promoting the work of economizing on energy and reducing waste. Propaganda relating to economizing on energy and reducing waste will be strengthened, so as to increase people's consciousness of resources, economic, and the environment. Economizing on energy in the key spheres of the chemical industry, building materials industries, metallurgy, electric power generation, and machine-building industries will be stressed. By 2000, the energy required to produce 10,000 yuan of GDP will be about 4 percent less than under the Eighth Five-Year Plan.

#### **5. Strengthening earthquake and disaster prevention and alleviation work as well as weather forecasting work.**

The policy of "concentrating on prevention and providing comprehensive defense" will be implemented, and consciousness of earthquake and disaster prevention and alleviation work will be raised. The various measures required for the national earthquake and disaster prevention and alleviation work 10-year targets will be implemented in an overall way. We will strive to ensure that within 10-15 years, the 11 cities that come under the province's administration will have achieved the capacity to cope with earthquakes that cause medium damage. The monitoring, forecasting and service systems for calamitous weather and climate will be improved, so as to reduce the harm brought by natural disasters. Civil defense and fire fighting services will be strengthened.

#### **2. Raising the Level of the People's Material Lives**



At the same time as economic development is being accelerated, swift growth will be maintained in the real incomes of urban and rural residents. The food structure will be improved and the supply of non-staple foods will be increased. Rational consumption will be encouraged, the contents of consumption will be enriched, and the consumption structure will be improved. The floor area of housing will be increased, and the completion rate of housing will be raised.

Great efforts will be put into building new-type accommodation areas, the residential environments will be improved and stress will be placed on improving the quality and functions of the housing of rural residents. The socialized service systems of the urban and rural areas will be improved, comprehensive community services will be developed and the role of community services will be strengthened.

### **3. Developing Health and Sporting Undertakings**

The building of medical and health facilities will be strengthened and the health system that involves integration of medical and health services, preventative and health care, and health monitoring will be improved. Health work in the villages will be grasped well and the proportional figure for people who benefit from drinking healthy water in the rural areas will reach 70 percent. The coverage rate of the medical guarantee system involving multiple form or cooperative medical facilities will reach 90 percent. Prevention and treatment of various kinds of local diseases, infectious diseases and occupational diseases will be strengthened. The building of traditional medicine and traditional Chinese pharmacology services will be strengthened, and the superiorities of our province's traditional Chinese medicine and traditional pharmacology will be maintained and improved. The building of healthy cities will be strengthened and we will strive by the year 2000 to have 20-25 percent of cities enter the ranks of national healthy cities, to realize a situation where every person enjoys basic health guarantees, and where there are three hospital beds for every thousand persons.

Sports activities will be developed and the level of sports will be improved. Plans for ensuring that everyone has a healthy body will be implemented and activities for building healthy bodies among the people will be widely implemented, so as to strengthen people's physique. In addition, school sports will be stepped up so as to clearly improve the physical quality of young people.

## **VIII. Furthering Economic Structural Reform and Basically Forming a Socialist Market Economy Operational Mechanism**

The policy of using reform as a powerful promotional force for developing the productive forces and promoting the overall progress of society will be firmly upheld, and priority will be assigned to forming a structural framework for the socialist market economy, and to the coordinated reform of the "four integrated entities" of enterprises, the market, society and government. An economic structure and operational mechanism which is in accord with the new economic growth modes will be established.

### **1. Furthering Enterprise Reform and Establishing a Modern Enterprise System**

Enterprise reform will be taken as the focal point of economic structural reform, and the policies of public ownership as the main part and common development of diverse economic components will be firmly upheld. The idea of enlivening the large enterprises, relaxing controls over the small enterprises and expanding assets reorganization capacities will be firmly upheld, so as to accelerate the strategic readjustment and reorganization of state-owned enterprises. By the year 2000, the beginnings of a modern enterprise system will have been established.

**1. Accelerating the switch in enterprise operational mechanism.** The basic characteristics of a modern enterprise system will be grasped in an all-round and accurate way, and the establishment of a modern enterprise system will be promoted in a planned and step-by-step manner. Apart from enterprises in a small number of special industries, the majority of state-owned enterprises will be restructured in accordance with the "Company Law," so that they form a standardized corporate management structure. A scientific organizational and management system will be established and leading groups which excel at operational management will be built up.

**2. Implementing the "100 mainstay enterprises" project.** Reform, reorganization, transformation and strengthening management will be tightly integrated, and stress will be placed on grasping well 100 major enterprises and enterprise groups.

With regard to reform, the 100 enterprises will take the lead in carrying out structural innovation, while those with the conditions will be authorized by the provincial government to become state-owned asset investment principals and be turned into state-owned holding companies. In terms of reorganization, the pace of assets reorganization will be accelerated, and through

operational modes such as mergers, planned transfer, authorization, and consigning, large-scale economic alliances that cross regions, cross industries and cross ownership systems will be formed. In the process, state-owned assets inventories will be readjusted.

With regard to transformation, in accordance with the principle of "supporting the superior and supporting the strong," priority will be given to the 100 enterprises in respect of scientific and technological development, technological transformation and technological imports, and the scale of investment will be increased.

With regard to strengthening management, great efforts will be put into promoting modern management and management systems which are in accord with modern, large-scale production.

**3. Accelerating the structural transformation and reorganization of small and medium-sized enterprises.** The management modes imposed on small and medium-sized enterprises will be changed, the modes of structural transformation of small and medium-sized enterprises will be freed, and "transfers, mergers, alliances, share holdings, partnerships, retirements, contracts, leases, sales and bankruptcies" will be implemented. Thereby will be formed a group of specialized small-scale enterprises that are "small giants," which have influence throughout the country and even internationally, which have competitive capacities, and which are coordinated with medium-sized and large enterprises.

**4. Exploring a new road for the reform of township, small town and collective enterprises.** On the basis of setting the boundary of asset sources and clarifying property rights relationships, the establishment of a modern enterprise system will be accelerated so as to resolve the problems of enterprise operational mechanism and development funds.

With respect to the different situations, existing enterprises will, in accordance with law, be reorganized into share holding cooperative enterprises, partnership enterprises and limited liability companies. A small number of enterprises that are of a large scale, have good performance and accord with industrial policies will, in accordance with law, be directly changed into limited share holding companies or be built into enterprise groups.

**5. Properly handling the historical millstones of the state-owned enterprises.** The increasing of assets and reduction of debt and reduction in personnel while improving performance will be taken as the breakthrough points. Through avenues such as diversifying investment, changing creditor rights into share holding rights, enlivening inventories, foreign fund grafting, utilizing

differential land rent to carry out land displacement, and other measures, the debt ratio of state-owned enterprises will be reduced. The social functions of enterprises will be stripped away, and the social burden of enterprises will be sorted out. The redundant staff will be streamed and appropriate arrangements will be made for those surplus staff. A "reemployment program" will be actively promoted.

## **2. Accelerating the Building of a Market System**

**1. Powerfully developing the commodity markets.** Efforts will be put into fostering large regional markets. The focus will be on building a number of wholesale markets for agriculture and sideline products, industrial consumer goods and means of production. These markets will have quite a good reputation, a large trading scale, a powerful radiating role, overall functions, and standardized operations. By the year 2000, a community market network that has national central markets as hubs, regional markets as a key framework and local markets as a base will have been established. There will have been established a total of 20 agricultural and sideline product wholesale markets with annual turnover in excess of 1 billion yuan, 30 industrial consumer goods markets with an annual turnover in excess of 2 billion yuan, 20 means of production wholesale markets with annual turnover in excess of 5 billion yuan, and 10 means of production and industrial product wholesale markets with turnover in excess of 10 billion yuan. The annual turnover of markets throughout the province will total 300 billion yuan.

**2. Stressing the development of markets for important production factors.** In the financial market, funds and securities markets will be stably developed to expand financing capabilities. In the land market, in accordance with the requirement that "relaxation is controlled, management is methodical and enlivening is ordered," a primary market in which public housing is sold and a secondary market in which real estate is traded will be established. In the labor market, labor and skills importation mechanisms will be improved and perfected, to form a mechanism of open competition for employment. Technology and information markets will be established and fostered, to accelerate the pace at which technological achievements are turned into production capacity, and to promote the common enjoyment and effective utilization of information resources.

**3. Developing and standardizing market intermediary organizations.** The assessing of qualifications will be strict and the roles of communications, notary, and supervision services will be well brought into play. This will enable us to form a market intermediary service



system which includes autonomous organizations, notarization organs and examination and supervisory organs.

**4. Formulating and perfecting market regulations.** Price reforms will be extended to perfect the price formation mechanism. Laws and regulations that standardize market entities, safeguard market order and standardize market intermediary organs will be established and perfected. Price supervision and management will be strengthened and circulation order will be standardized. A system of reserve stocks for major commodities will be improved. The commodity price regulatory mechanism will be perfected. This will form a unified, open, ordered and competitive market structure.

**5. Strengthening Efforts to Develop Markets.**

Some large industrial and commercial enterprises or enterprise groups will be encouraged to go to 3-5 regional key cities or the provincial capital in other provinces to jointly establish "Jiangsu commercial cities," to change the situation where Jiangsu enterprises operate in a dispersed way outside the province. Industrial and commercial enterprises will be encouraged to carry out mergers through cross participatory share holdings and a free hand will be given to the development of diversified economic components. A number of comprehensive trading agencies that combine industry and commerce as well as trade and enterprise will be established, so that they become key enterprises in opening up markets.

**3. Changing Government Functions, Perfecting Government Economic Management Systems**

In accordance with the principles of separation of government and enterprise functions, government functions will be changed. The economic management functions of government will be truly shifted to formulating and implementing macroeconomic regulatory and control policies, doing well in the building of basic facilities, and the creation of a fine economic development environment. The work efficiency and the level of scientific decisionmaking of organs will be raised, the degree of transparency of government activities will be increased, and gradually we will achieve standardized management regulation through law.

In accordance with the principles of streamlining, unity and efficiency, there will be further reform and readjustment of government organs, the management functions of comprehensive economic departments will be strengthened, and the coordination between and joint action of the various comprehensive economic departments will be strengthened. These departments will be gradually readjusted and built into macroeconomic regulatory and control departments with unified functions and authority. The specialized economic management

departments will be gradually turned into economic entities that do not have government functions, or changed into units authorized by the state to operate state-owned assets, or into autonomous industrial management organizations.

Through the comprehensive use of various economic levers, there will be timely and effective regulation and control in terms of balancing of economic volumes throughout the society and structural readjustment. In accordance with the principle of centralizing strengths to carry out major tasks, provincial-level measures for regulating the economy will be appropriately strengthened. The financial system involving tax-sharing and reform of the tax system will be further perfected, financial management will be improved, there will be strict implementation of tax levies, and the financial budget deficit will be eliminated.

**4. Standardizing and Improving Primary Distribution and Secondary Distribution Systems**

The distribution form that has distribution according to work as its main part but that includes diverse distribution modes will be firmly upheld and improved. The reform of enterprise wage income distribution will be extended, while the regulatory role of the market competition mechanism will be strengthened. A self-regulatory and self-restraining distribution mechanism will be instituted in enterprises, so that an appropriate relationship is formed between wage income growth and the growth in labor productivity and economic performance. The wage systems of administrative organs and institutional organs will be improved, so that they have normal wage growth mechanisms. Legitimate income will be protected in accordance with the law, illegal income will be banned and excessively high incomes will be adjusted. The principle of giving priority to efficiency while concurrently considering fairness will be firmly upheld, and encouragement will be given to reliance on honest labor and legitimate operations in becoming prosperous first. The problem of excessive differentials in social distribution will be resolved through tax regulation and other measures. The distribution relationships between the urban and rural areas, between regions, and between various social groups will be coordinated through laws and distribution policies, as well as through social guarantees and social relief measures.

**5. Accelerating the Establishment of a Social Security System**

The reform of the social security structure will be deepened, systems will be further improved, and mechanisms will be formed. By 2000, a social security structure that includes social insurance, social welfare, social relief,

and social concern for families of servicemen and revolutionary martyrs will be basically formed. Pension insurance for staff of enterprises will be further improved and perfected. The basic old-age pension coverage rate will exceed 95 percent, while the implementation of socialized management and personal accounts will reach 100 percent.

The scope of unemployment insurance will be continually expanded, and the guarantee capacity of unemployment insurance will be strengthened. By 2000, the unemployment insurance coverage rate will reach about 95 percent, and there will have been basically formed a consultancy and service network that will provide employment introductions, specialized training, and advice on saving oneself through production.

The reform of the medical insurance system will be promoted in a positive and stable way. The state, units, and individuals will jointly bear the costs, and an insurance system that involves overall socialized management of medicine and health but where individuals have their own personal accounts will have been initially established. Efforts will be made to achieve a situation where, by 1999, there will be an overall reform of the medical insurance system.

There will be an active promotion of experimental points in child-bearing insurance and workers' injury insurance. By 1998 there will be an overall implementation of child-bearing insurance and workers' injury insurance. By 2000, there will have been formed a child-bearing social insurance structure that covers basic child-bearing expenses [ji ben sheng yu dai yu 1015 2609 3932 5148 1769 6657] and a social insurance structure for workers injury insurance, which has various and floating payment rates.

Following growth in the economy and financial revenue, the standards for social relief and special concern for families of soldiers and revolutionary martyrs will be gradually raised. The basic livelihood of poverty-stricken households, households suffering special difficulties, and families of soldiers and revolutionary martyrs will be guaranteed.

A system of social insurance will be established in the rural areas. In the rural areas, the principle of having individual farmers bear the load as the main part, and collective shouldering of the burden as a supplement shall be upheld. There will be positive development of a rural resident old-age pension system that has different levels and various standards. In a way that is suited to local conditions, cooperative medical treatment and major illness cooperative medical insurance systems will be established and perfected. By 2000, the coverage rate for old-age pension insurance in rural society will

reach 65 percent, and the rural areas will draw in the medical insurance mechanism.

The management of social security will be strengthened. The situation of dispersed management of the various types of social security will be changed and a provincial social security committee will be established. The macro-management of social security will be strengthened through unified policies and unified planning. In accordance with the principle of separating government and institutional functions and government and enterprise functions, a social insurance fund management mechanism will be established so as to ensure the maintenance and growth in value of social insurance funds, as well as their rational use. Local social security legislation will be strengthened so as to promote the gradual movement of our province's social security toward the orbit of a legal framework.

#### **6. Deepening the Reform of the Investment Structure**

An investment risk restraint mechanism will be established and a corporate investment responsibility system will be implemented in an overall way, so as to make clear those who bear responsibility. A capital funds system for construction projects will be established, as will a strict investment decisionmaking responsibility system.

Macro-regulation and control of fixed assets will be strengthened and improved, and a macro-regulatory and control system with industrial policies as its guiding element, and which involves the comprehensive use of economic, legal, and necessary administrative measures, will be implemented. An appropriate scale of investment and rational investment structure will be decided on and investment performance will be improved. A market service system that is related to investment activities will be established and developed.

#### **IX. Earnestly Strengthening the Building of Socialist Spiritual Civilization and a Democratic Legal System, Improving the Quality of Citizens and the Degree of Civility in the Urban and Rural Areas**

##### **1. The Building of Socialist Spiritual Civilization**

Study of and research on Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics will be widely and deeply developed. Various types of mass media will be fully utilized to accurately and vividly propagate Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. A correct orientation of the media will be maintained to



provide a good public opinion environment for reform, opening up, and modernization.

Education in loving patriotism, collectivism, and socialism will be deeply carried out. Education in the pioneering spirit and the outstanding tradition of arduous struggle will be deepened during the new period. The spirit of enterprise and sense of historical mission will be strengthened. The values of collectivism will be advocated and people will be guided in establishing a correct world view, view of life, and values. Education in social ethics, professional ethics, and family ethics and morals will be widely and deeply developed.

Mass activities in the building of spiritual civilization will be widely carried out so that the activities of "creating three outstanding qualities" and building civilization in the urban and rural areas are more fully effective. Great efforts will be put into promoting noble actions like bravely fighting for a just cause and finding pleasure in helping others, so as to promote a healthy atmosphere in society. Education in national defense and activities involving joint construction by the military and civilians will be actively carried out among the people, while the wide-ranging development of "double support" activities will be promoted.

Various types of cultural undertakings will be enriched and developed. The different levels of cultural demands by the masses will be satisfied, and the creation and publication of outstanding literary and art works, including those of high quality and those that suit both refined and popular tastes, will be encouraged, supported, and guided. Mass cultural construction will be promoted, and throughout the townships and small towns of the province, multi-function cultural activity centers will be widely established. The broadcasting and television transmission conditions will be further improved and, by the end of the century, the comprehensive coverage of radio and television broadcasts will reach figures of over 90 and 95 percent respectively. A province-wide network of cable television will be in place.

The building of public cultural facilities will be strengthened. The Jiangsu Provincial Theater, Nanjing Library, extension of the Nanjing Museum, outpatient and emergency medical center of the provincial people's hospital, stage two construction of Jiangsu Television's television center, Nanjing Science Palace, and other hallmark social undertaking constructions will be built. These

will promote the development of cultural undertakings throughout the province.

## **2. Promoting Socialist Democracy and the Building of the Legal System**

The procedures and systems of democratic decisionmaking and democratic supervision will be strengthened. The degree of participation by the broad masses in social and political activities and in economic management will be expanded. The pace of legislation will be stepped up, and taking economic legislation as the main element, legal standards will be formulated and perfected for the purpose of standardizing market entities and market activities, improving and strengthening local macroeconomic regulation and control for establishing and improving social security systems, promoting opening up to the outside, and so on. The system of laws and regulations for standardizing economic activities will be improved. The role of legal service organs will be fully brought into play, education in legal popularization will be developed, and consciousness of the law and legal concepts will be raised throughout the whole society. The work of handling and responding to letters and visits from the people will be assigned great importance.

## **3. Strengthening Comprehensive Management of Social Order**

The social guard [she hui fang fan 4357 2585 7089 5400] system and social guarantee system will be improved. The struggle against corruption will be carried forward in a firm and unremitting way. Serious economic crimes and other criminal acts will be sternly dealt with, while prostitution, drug-taking, drug dealing and other odious phenomena in society will be sternly cracked down upon. The administration of justice, administrative enforcement of the law and supervision of law enforcement will all be strengthened. Actions such as not acting in accordance with the law, not enforcing the law strictly, not investigating those who break the law, abuse of one's functions and powers, and such phenomena will be firmly corrected. The building of law administration and enforcement contingents will be stepped up. There will be protection of social groups such as women, children, and the disabled. Attention will be paid to grasping social trends and good work will be done in persuasion and mediation to resolve the various contradictions that appear in society.

**PRC: Qiao Shi Asserts Taiwan Issue 'Internal Affair'**

OW0204162996 Beijing XINHUA in English  
1505 GMT 2 Apr 96

[FBIS Transcribed Text] Moscow, April 2 (XINHUA) — China's top legislator Qiao Shi said here today that the Taiwan issue is purely China's internal affair which brooks no interference by foreign powers under whatever pretexts and through whatever means.

"Under no circumstances will the 1.2 billion people of China allow Taiwan to be separated from China," said Qiao, Chairman of the Chinese National People's Congress (NPC) Standing Committee.

In an interview with major Russian news organizations, Qiao, who arrived here Sunday on a six-day official visit, said China hopes to settle the Taiwan issue through peaceful means but will make no commitment not to use force.

"No forces can shake our position of defending our national sovereignty, unification and territorial integrity," Qiao said.

He said the Chinese NPC, which has approved a number of laws such as one on the protection of investment by Taiwan compatriots, will continue to play its part in the reunification of the motherland.

Qiao, who met with Russian President Boris Yeltsin Monday, said China appreciates Russia's one China policy, noting that Russia recognizes the government of People's Republic of China as the sole legitimate government and pledged not to develop official relations with Taiwan.

Besides Yeltsin, Qiao also met with Prime Minister Viktor Chernomyrdin and speakers of both houses of the Russian parliament.

Earlier today, Qiao and his entourage toured the Red Square, the Tretyakov Gallery and the Poklonnaya Gora Memorial, which opened May 9, 1995, to mark the 50th anniversary of the victory of the war against Nazi Germany.

The Tretyakov Gallery, which houses a collection of more than 100,000 art works of different historical periods, reopened about a year ago after 10 years of renovation.

Qiao flew in from Kiev, Ukraine, on Sunday after a visit to that country. After Moscow, he will go to St. Petersburg, Russia's second largest city.

He will then fly to Greece for a stop-over before going on to Cuba, and then Canada.

**PRC: Qian Qichen on Cross-Strait Ties, Military Exercises**

HK0304071796 Hong Kong WEN WEI PO in Chinese  
3 Apr 96 p 1

[Dispatch "Qian Qichen Reiterates Opposition to Taiwan Independence Stance, Conditions for Cross-Strait Talks Are Absent"]

[PTS Translated Text for FBIS] Tokyo, 3 Apr—At a news conference held here today, Qian Qichen, Chinese vice premier and concurrently minister of foreign affairs, indicated: "Taiwan is part of China; as long as Taiwan refrains from pursuing independence, as long as it does not gain the support of foreign forces, the situation across the Taiwan Strait will be very normal." In addition, he said that talks between leaders of Taiwan and the mainland still call for certain conditions.

When asked about China's most recent series of military exercises, Qian Qichen said: China's recent exercises were aimed chiefly at improving the Army's combat effectiveness and at the same time expressing China's will to safeguard state sovereignty and territorial integrity. Qian Qichen indicated that China did not do that because of Taiwan's election; that it was not because Taiwan wanted to stress democracy that China aimed to stop it; that it was because Taiwan wanted to pursue independence that China resolutely opposed such a practice. While commenting on Taiwan's election, Qian Qichen indicated that money and criminal syndicates were involved in it. With respect to the development of cross-strait relations, Qian Qichen reiterated that the cross-strait issue is an internal affair; that what China opposes most is "the issue of Taiwan independence and splitting the motherland"; that Taiwan is part of China; and that as long as Taiwan refrains from pursuing independence, and as long as it does not gain the support of foreign forces, the situation across the Taiwan Strait will be very normal. Regarding the definition of the word "China," Qian Qichen indicated that China is the sole legitimate government of China, and opposes the geographical, historical and cultural definition of "China" in a broad sense.



**Taiwan: Further on Matsu Military Exercise Suspension**

*OW0304020996 Taipei CNA in English*  
*0142 GMT 3 Apr 96*

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 2 (CNA) — In a move to help ease tensions in the Taiwan Strait, Premier Lien Chan on Tuesday [2 April] announced the suspension of a live-fire military exercise originally slated for April 7-10 on the outlying island of Matsu.

"The decision was arrived at only after careful discussions with the Ministry of National Defense and the Chief of General Staff Office, and it was approved by President Li Teng-hui," Lien said in reply to an inquiry in the Legislative Yuan.

Lien said the exercise, which was to include surface-to-air missile firing and anti-landing drills, will be postponed until after June.

Lien's announcement raised concerns among lawmakers about whether the decision was made under foreign pressure.

Asked to comment on the planned military drill on Matsu Island, a fortified front-line island controlled by Taiwan, U.S. State Department spokesperson Glyn Davies said Tuesday, "In our view, to cut to the chase, exercises near Matsu now would not be conducive to the reduction of tensions."

Davies indicated that Washington had urged both Beijing and Taipei to exercise restraint and resume the routine talks that were unilaterally suspended by Mainland China after Li's U.S. visit in last June.

In a written release issued on Tuesday, the ROC [Republic of China] military spokesman's office emphasized that the planned Matsu drill would have been routine and small in scale. The office lamented exaggerated reports that called the exercise an "upscale" war game.

In a previous press release, the office defended the planned drill, saying it would have been entirely different from the war games launched by the People's Liberation Army in the Taiwan Strait from March 8-15.

**Taiwan: Cross-Strait Talks Expected To Resume This Year**

*OW0304020596 Taipei CNA in English*  
*0127 GMT 3 Apr 96*

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, April 2 (CNA) — Although Mainland China's Foreign Minister Qian Qichen said that Beijing is not ready to resume talks with Taipei,

domestic economic problems and international pressure will bring Mainland China to the negotiation table with Taiwan in the second half of this year, according to senior officials with Taiwan's mainland affairs bodies on Tuesday [2 April].

Wang Zhaoguo, director of the Taiwan Affairs Office under Beijing's State Council, told a group of Taiwanese businessmen in Beijing in March that dialogue across the Taiwan Strait would be restored as soon as Taiwan leaders "re-endorsed the one-China principle."

However, Qian told his Japanese hosts in Tokyo on Monday that given the inclement relations across the Taiwan Strait, it is not appropriate to reopen dialogue at this time.

Senior officials of Taiwan's Mainland Affairs Council [MAC] and the Straits Exchange Foundation believe that Beijing will signal its intention to resume contacts with Taipei in the second half of this year because of its domestic agricultural and economic problems, as well as the pressure brought to bear by the international community for Beijing to resolve Taiwan's future peacefully.

They predicted that after a series of military threats against Taiwan and the reshuffle of Taiwan's leadership after the presidential election, Beijing will need time to absorb the results and review its policy toward Taipei.

**Taiwan: Lien on Significance of Leaders' Meetings**

*OW0304023996 Taipei CNA in English*  
*0134 GMT 3 Apr 96*

[By Bear Li]

[FBIS Transcribed Text] Taipei, April 2 (CNA) — Premier Lien Chan said on Tuesday [2 April] that meetings between the leaders of Taiwan and Mainland China at international events can contribute to improving cross-strait relations.

"A meeting bears symbolic meaning in promoting friendship and reducing misunderstanding," Lien said while answering an interpellation at the Legislative Yuan.

"However, we cannot expect these types of meetings to resolve all of the existing problems between the two sides," he added.

Any meeting should focus on solving the problems resulting from cross-strait exchanges, working out programs for trade and economic cooperation and tapping the possibility of signing an agreement to end hostilities between the two sides, Lien said.

Taiwan has repeatedly said that it would be best for the leaders of both sides to meet on such international occasions as the informal summit of the Asia-Pacific Economic Cooperation (APEC) forum, a regional economic promotion body to which both Taiwan and the mainland belong.

**Taiwan: Taipei Opening Door to Mainland Industrial Imports**

OW0304033496 Taipei CNA in English  
0117 GMT 3 Apr 96

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 2 (CNA) — Despite the tensions in the Taiwan Strait, the Ministry of Economic Affairs has decided to ease restrictions on the import of mainland semi-finished industrial products, an economics official said on Tuesday [3 April].

"The proposed widening of imports is expected to be finalized on April 15 when the ministry holds a meeting to screen the new list of mainland import items," Hsu Wen-lung, a department director of the Board of Foreign Trade (BOFT), told a seminar sponsored by the Chinese National Federation of Industries.

Hsu said his ministry has been working hard since September to adopt a "negative list," under which those products not included on the list may be imported indirectly from the mainland.

Taiwan has gradually allowed the import of 2,917 semi-finished mainland industrial products since it removed the decades-old lid in 1988.

With the new list, 3,980 out of 7,480 items, or 53 percent of those in the customs import category, will be permitted in. The new list is slated to take effect on July 1.

"The opening will be the largest of any of the past 40 screening meetings," Hsu said.

The new list was drawn up so as not to harm the interests of either national security or local manufacturers, among them machinery, textiles, electronics and semiconductor sectors, Hsu said.

In principle, Hsu pointed out, the new imports are labor-intensive, low-end and high-pollution industrial goods no longer fit for manufacturing on the island.

Imports of mainland agricultural products will remain unchanged to protect the local agricultural sector, Hsu added.

The move to open the door wider to mainland industrial products has been seen by many as a gesture to mend ties with the mainland. Relations between the two

sides, which improved in the late 1980's, plunged to a low in mid-1995 following the landmark visit to the United States by ROC [Republic of China] President Li Teng-hui. Ties deteriorated further after the People's Liberation Army launched four rounds of missile tests and live-ammunition drills near Taiwan since March 8.

**Taiwan: Editorial on Improving Cross-Strait Ties**

HK0304072096 Hong Kong SOUTH CHINA  
MORNING POST in English 3 Apr 96 p 20

[Editorial: "Listening To Reason"]

[PTS Transcribed Text for FBIS] Taiwan has wisely listened to the voice of reason and postponed live-fire military exercises planned for next week. Both Japan and the United States had expressed concern at these drills, fearing they could easily be interpreted as an act of provocation and defiance. Beijing is in no mood to indulge Taiwan's attempts at self-assertion. The exercises could have had no other effect than a serious re-escalation of tension.

At the same time, Taiwan has moved to lift restrictions on a wide range of industrial imports from mainland China. Taken together, the decisions are a welcome signal that Taipei is genuine in its desire to improve economic and political relations with Beijing now that the presidential elections are over.

President Lee Teng-hui [Li Teng-hui] should go further down this route. Permitting direct economic links with China will help promote peaceful co-existence, although it will not, of itself, bring about reunification. But closer ties will minimise Taiwan's chances of seeking independence.

Mr Lee has shown himself to be an able statesman as well as a successful and clever politician. The benefits of his policies should be felt on both sides of the Taiwan Strait. It would be helpful now if Beijing were to respond in kind. Instead of threatening military action at every opportunity and criticising American and Japanese support for Taiwan, it should recognise that peace and stability is to the benefit of all, and that the international community is as keen to prevent Taiwanese defiance as sabre-rattling from Beijing.

**Taiwan: Taipei, South Africa Agree on Monetary Cooperation**

OW0304031196 Taipei CNA in English  
0127 GMT 3 Apr 96

[By J. H. Chang and Bear Li]

[FBIS Transcribed Text] Johannesburg, March 2 (CNA) Taiwan and South Africa on Tuesday [2 April] signed



a memorandum of understanding (MOU) on monetary cooperation.

Shen Shu, chairman of the Republic of China (ROC)'s Securities and Exchange Commission, and W.J. Haslam, vice chairman of South Africa's Finance Service Board, signed the cooperative agreement on behalf of the two nations.

Under the agreement, Taiwan and South Africa will jointly establish a framework to improve the management of money markets, enhance the monitoring of international currency trading and protect investors.

Chen is leading a seven-member delegation for a brief visit here.

## Hong Kong

### Hong Kong: General on Provisions of Hong Kong Garrison Law

OW0204143996 Beijing XINHUA Hong Kong Service in Chinese 0819 GMT 1 Apr 96

[FBIS Translated Text] Beijing, 1 April (XINHUA) — The latest edition of the bimonthly ZHONGGUO JUNFA [China Military Law] carried an article signed by Major General Yang Fukun, director of the Legislative Bureau under the Central Military Commission. The article says: The Hong Kong Garrison Law, which is now being enacted, should be composed of various forms and multilevel law systems, including both the garrison law enacted by the state and the military laws and regulations formulated by the central committee and the various general departments of the People's Liberation Army [PLA] so that a set of relatively complete garrison law systems will be formed to ensure that garrison troops will perform their duties according to law.

Major General Yang Fukun's article is divided into three aspects: One is that troops garrisoned in Hong Kong should have a complete law; the second is the basic principles which should be followed in enacting the Hong Kong Garrison Law; and the third aspect is the contents [nei rong 0355 1369] of the Hong Kong Garrison Law which should be standardized.

The article says: In view of the task that troops garrisoned in Hong Kong undertake and the characteristics of Hong Kong society, enacting a relatively complete garrison law is of significance in many aspects. First of all, enacting the garrison law will have an important role in harmonizing relations between the Army and the government and those between the Army and the people of the Hong Kong Special Administrative Region [SAR] and in raising Hong Kong residents' understanding of and confidence in garrison troops, and will be conducive to Hong Kong's prosperity and stability. Second, Hong Kong is a society which attaches importance to the rule of law. All social relations and people's behavior are governed by laws. It would meet the needs of Hong Kong, a society of the rule of law, for the state to step up efforts to study and enact the Hong Kong Garrison Law before 1997. Third, both the management of Hong Kong's defense affairs by the central authorities and the discharge of duties and responsibilities by the troops garrisoned in Hong Kong need an effective guarantee in many ways, including guarantees given by the central authorities and the Army and various conveniences given by the Hong Kong SAR. Enacting the garrison law will effectively ensure that the central authorities manage Hong Kong and the troops garrisoned in Hong Kong do their duties according to law.

The article discusses the five basic principles that should be followed in enacting the Hong Kong Garrison Law. First, fully embody the state's principles and policy toward Hong Kong with the Constitution and the Basic Law as the basis; second, embody the state's sovereignty over Hong Kong and maintain Hong Kong's stability and prosperity; third, both ensure the defense needs of garrison troops and conform to the social realities in Hong Kong; fourth, maintain unity with the basic requirements of the military laws currently in force in China and coordinate with Hong Kong's existing laws, which should be preserved according to the stipulations of the Basic Law; and fifth, work out principled regulations on just the main matters concerning garrisoning and gradually solve the concrete matters through other forms of legislation.

The article reveals the relevant contents that should be standardized by the Hong Kong Garrison Law. 1) The question of the responsibility and jurisdiction of garrison troops which the garrison law should consider; 2) the question of managing the PLA troops garrisoned in Hong Kong, and after the PLA troops are garrisoned in Hong Kong, it should be particularly reaffirmed that PLA personnel are prohibited to carry out commercial and other production and operational activities, to concurrently take up posts which have nothing to do with their duties, to engage in stock trading and gambling activities, and to go places to which they should not go; 3) the question of the relations and communication between the PLA troops garrisoned in Hong Kong and the Hong Kong SAR, and after 1997, a relatively big change will take place in the relations between the Army and the government; the chief executive of the Hong Kong SAR is not the honorary commander of garrison troops; the SAR and garrison troops operate separately in accordance with independent administrative and military systems [xi tong 4762 4827] with neither one being subordinate to the other or meddling in the other's affairs; 4) the question of the subordination of PLA troops garrisoned in Hong Kong and relations between leadership and command [ling dao zhi hui 7326 1418 2172 2264], and after 1997, the subordination of the PLA troops, which are sent by the central people's government to carry out the defense task in the Hong Kong SAR, should be made clear and definite in the garrison law; and 5) the question of the central authorities managing Hong Kong's defense affairs and garrison troops being responsible for Hong Kong's defense support [fang wu bao zhang 7089 0523 0202 7140]; after 1997, with the exception of the military expenses which the central people's government will bear, for the PLA troops garrisoned in Hong Kong to carry out the task of guarding [fang bei 7089 0271], it still needs full and effective support and, meanwhile, it also needs the nec-



essary support and conveniences provided by the Government of the Hong Kong SAR, such as land, goods and materials, energy, transportation, and telecommunications, which are necessary for defense purposes, and the authority given by Hong Kong's existing local laws to garrison troops for carrying out their duties should continue to be preserved.

**Hong Kong: Legislators View Powers of PLA Soldiers**

*HK0304080296 Hong Kong EASTERN EXPRESS in English 3 Apr 96 p 2*

[By Sam Mok]

[PTS Transcribed Text for FBIS] Chinese soldiers stationed in Hong Kong after the handover should not enjoy the same powers currently extended to the British Army, because they might abuse them, legislators said.

Under current laws, any British soldier, whether stationed in Hong Kong or not, can enter Hong Kong without the Immigration Department's permission. Among other privileges, the British Army can board any vessel without the permission of the vessel's owner or captain; the local police and law enforcement agencies cannot inspect military boats or aircraft; and soldiers can freely carry firearms.

"I am afraid that after 1997 the People's Liberation Army in Hong Kong shall abuse these privileges," a Democrat, Cheung Man-kwong, said. "Are there any checks on their activities?"

"Presently the British Army is under control because the governor is also the army's commander-in-chief. But after 1997 the government and the army will belong to two different systems."

He was speaking at a Legislative Council security panel meeting yesterday.

Chinese officials have said the Chinese army in Hong Kong after 1997 should be given all the privileges being enjoyed by the British Army.

According to the Security Branch, there are more than 100 Hong Kong laws which contain provisions for special treatment for the army.

The branch classified the privileges into 14 categories, such as exemptions from traffic restrictions, firearms control, jury duty, salary tax, tunnel fees and immigration control.

A principal assistant secretary for security, Clement Leung, said the Government had submitted to the Chinese side of the Joint Liaison Group, proposals to

amend these laws in accordance with the Basic Law, but so far they had not responded.

"The length of the list about the British Army's privileges tells us the significance of the Chinese demand," another Democrat, Fred Li, said. "The Government should check the 100 laws and see which of them shall be retained after 1997."

Leung said the Government had proposed to China that substantial changes be made.

Under the current laws the legal units of the British ground force and air force can appoint a senior officer to act as a lawyer for soldiers in court.

The Government proposed the appointees must possess professional qualifications as required by the Hong Kong Government, Leung said.

**Hong Kong: TV Stations Lobby for Rights To Cover Handover**

*HK0304064296 Hong Kong SOUTH CHINA MORNING POST in English 3 Apr 96 p 3*

[By Glenn Schloss]

[PTS Transcribed Text for FBIS] Television stations have begun manoeuvring for the privilege of being the official broadcaster of the ceremony to mark the handover of Hong Kong to China.

Government Information Services yesterday issued a survey to media organisations in Hong Kong and overseas to gauge their interest in covering handover.

It said it was likely that a host broadcaster would be appointed to provide a "feed" of the main handover ceremony and other events.

An industry source last night said the Government had already decided its own broadcaster, RTHK, would be the main radio and television provider.

While the shape of the event has yet to be decided, an international promoter said a visual spectacular could attract as much attention and revenue as the Olympics.

A performance by the three tenors and a People's Liberation Army band marching down Nathan Road would have the "shock value that will translate into television dollars", said Arena Group managing director Andrew Bull.

But officials exchanging pieces of paper on a stage would merit just "three minutes on CNN".

A handover ceremony at the Convention Centre at Wan Chai is widely expected, along with the lowering of the Union Jack and the raising of the Chinese flag and even

the departure of Governor Chris Patten on an aircraft carrier.

RTHK said it had been involved in meetings on the technical arrangements for the handover events but decisions on broadcasting would be made later.

Hong Kong's dominant television broadcaster, TVB, said it wanted to be the official co-ordinating broadcaster for the handover.

#### **Hong Kong: Editorial Praises Nationality Arrangements**

*HK0304105096 Hong Kong WEN WEI PO in Chinese 30 Mar 96 p A2*

[Editorial: "Arrangements for Nationality of Hong Kong People Are Conducive to Stable Transition"]

[PTS Translated Text for FBIS] The second session of the Preparatory Commission [PC] has adopted a proposal interpreting the nationality law to be implemented in the Hong Kong Special Administrative Region [SAR], which the Hong Kong people have welcomed. In the first batch of resolutions made shortly after the PC began operation, this proposal was given priority; this testifies fully to the truth that the PC has implemented the principle of "responding to and relying on Hong Kong people," earnestly lending its ears to and accepting Hong Kong people's opinions, and has based its work on making preparations for building the SAR on the happiness and interests of the Hong Kong people.

The proposal has taken into account the basic principle of the PRC Nationality Law while taking into consideration the peculiarity and complexity of the Hong Kong people's nationalities, and it embodies the "one country, two systems" principle and spirit of seeking truth from facts.

The PRC Nationality Law boasts two basic principles: One, one's nationality is gained in the spirit of the "doctrine of blood lineage" [xue tong zhu yi 5877 4728 0031 5030] and "linking to the doctrine of place of birth" [chu sheng di zhu yi xiang jie he 0427 3932 0966 0031 5030 4161 4814 0678]; and two, non-recognition of dual nationality. The PC has proposed that all Hong Kong residents of Chinese origin, while they themselves were born on Chinese territory (including Hong Kong), are all Chinese citizens. Taking into consideration convenience of entry and exit for Hong Kong people and the principle that the nationality law does not recognize dual nationality, the PC proposed that the foreign passports held by Hong Kong residents be used as travel documents to other countries or regions; however, they are not to enjoy rights of consular protection in the Hong Kong

SAR and other PRC regions. The aforesaid proposal is very flexible and relaxed in handling the nationality issue and falls into line with relevant stipulations of the PRC Nationality Law and the Basic Law, while taking into consideration greater freedom and convenience for Hong Kong residents in leaving and entering the region after 1997.

Before 1997 the British Hong Kong Government will implement nationality control in Hong Kong in accordance with British nationality law, and Britain recognizes dual nationality; many Hong Kong people have acquired various foreign passports out of the need to do business, study, and emigrate. Furthermore, some Hong Kong people have contributed considerable effort, time, and money to acquiring their foreign passports but face the continuing need to shuffle between Hong Kong and foreign countries to do business, or return to Hong Kong in seek of development after completing their education, or have "fulfilled their permitted time in their adopted country" [zuo man yi min jian 0976 3341 4448 3046 4148]. In particular, because of economic recession in foreign countries in recent years, many emigrants from Hong Kong did not find their development overseas to be ideal, and have returned to Hong Kong one after another to seek opportunities to make money. Under these circumstances, the PC proposal has taken their situation and needs into full consideration. The more relaxed and flexible aspect is that those returned Hong Kong people who have already acquired foreign passports may select their own nationality and right of abode in Hong Kong on their own accord, and they may settle down in Hong Kong with Chinese or foreign citizenship.

Emigrants returning to Hong Kong before or after 1997 with their Hong Kong ID cards who choose not to declare themselves as foreign nationals may automatically maintain their status as permanent Hong Kong residents; but if they enter Hong Kong with foreign passports and declare themselves to be foreign nationals, that is, maintaining their status as foreigners while enjoying rights of consular protection, they will have to stay in Hong Kong for seven consecutive years to become permanent Hong Kong residents. This method, which allows those concerned to handle the issue themselves, fully respects and protects the will and interests of Hong Kong people who have acquired foreign passports for various reasons and out of various conditions and needs.

The PC suggests that all Hong Kong compatriots, whether "British Dependent Territory Citizens" or "British National (Overseas)" passport holders, are all Chinese citizens, and the aforesaid certificates may continue to be used as travel documents; but they shall not enjoy rights of British consular protection.



With regard to the right of abode in Britain, which the British side has pursued in the wake of the British side violating the Joint Sino-British Declaration and the memoranda exchanged between the two sides, the PC proposal, in unanimity with the persistent stand of the Chinese Government, does not recognize such right of abode in Britain, for it has violated relevant principle stipulated in the memoranda exchanged between the Chinese and British sides as well as the stipulations of the PRC Nationality Law. Article Eleven of this law stipulates: "A person who has applied for withdrawal of Chinese nationality and who is approved, will instantly lose his Chinese nationality." Article Nine stipulates: "A Chinese citizen who settles in a foreign country and who has voluntarily joined or acquired foreign nationality, will automatically lose his Chinese nationality." The practice of acquiring British citizenship based on the right of abode in Britain does not involve settling down in Britain beforehand, nor has it included obtaining approval from China; on such grounds, China will not recognize it; such non-recognition entirely falls in line with the stipulations of the memoranda and the Nationality Law.

The PC proposal provides solutions to a series of issues such as the appointment of SAR senior officials, the proportion of members with [nationality] status in the executive authorities and the legislature, the appointment of the Chief Judge of the Court of Final Appeal, and chief judges of the high courts, and the issuance of SAR passports as well as the definition of the status of returned emigrants. Of course, it is necessary for those Hong Kong people who are to take office of the aforesaid posts or to participate in elections to clarify what foreign passports they are holding, or whether or not they have the right of abode in a foreign country (including the right of abode in Britain). If they want to take office or stand for election for related posts while they are in possession of some foreign passports or right of abode in some foreign countries, they must make a statement to give them up. However, the aforesaid problems do not exist for those Hong Kong people who do not take office or stand for election for the aforesaid posts.

Should the PC proposal be approved by the National People's Congress Standing Committee through its deliberations, Hong Kong people will enjoy greater freedom and convenience in leaving and reentering the region after 1997 than they do now, while guaranteeing that those Chinese citizens among Hong Kong residents enjoy the political rights endowed by the Basic Law, rights unheard of under colonial rule. This will greatly enhance the confidence of Hong Kong people and promote a steady transition.

**Hong Kong: Patten on Support to Preparatory Committee**

*HK0304082996 Hong Kong EASTERN EXPRESS  
in English 3 Apr 96 p 4*

[By Lily Mak]

[PTS Transcribed Text for FBIS] China has to accept Governor Chris Patten's three-point criteria for co-operation "as a package" if it wants the Preparatory Committee to have full assistance from the Hong Kong government.

Mr Patten made this clear yesterday in response to remarks by XINHUA News Agency deputy director Zhang Jiansheng that the government could not selectively offer assistance to the Preparatory Committee.

"My opinion on that is that we're the government, we'll cooperate according to the criteria that I've just mentioned, and those criteria should be wholly acceptable to Chinese officials" Mr Patten said after yesterday's Executive Council meeting.

"If you go through them one at a time, just tell me which ones Chinese officials may not be able to accept."

The three criteria, as set down by Mr Patten in his Policy Address last October, said any co-operation with the Preparatory Committee should be in accordance with the Joint Declaration and the Basic Law not undermine the authority of the government and not force divided loyalties among local civil servants.

This was the position of both the Hong Kong and the British governments, Mr Patten said.

"I have made it clear again, and again and again, you know perfectly well what my position is, what the government's position is, that we would do nothing whatsoever, that nothing spelt 'N-O-T-H-I-N-G', nothing whatsoever to take from, to undermine the authority, the legitimacy of Hong Kong's Legislative Council," he said.

"If you believe as we do, as Britain does, as international opinion does, that there is a Legco in Hong Kong, freely and fairly elected, which is doing its work within the terms of the Joint Declaration and it is holding the government to account as it is supposed to do, then it inevitably raises question marks in your mind about what on earth it is that a PL (provisional legislature) is supposed to be doing."

**Hong Kong: Patten Discusses Handover Ceremony Debate***HK0304082396 Hong Kong MING PAO in Chinese  
31 Mar 96 p A2*

[Report on "exclusive" interview with Hong Kong Governor Chris Patten by an unidentified reporter on 29 March: "Hong Kong Governor Does Not Mind Each Going Its Own Way on Handover Ceremony"; part two; place not given]

[PTS Translated Text for FBIS] On the 1997 Hong Kong sovereignty handover ceremony, which has drawn worldwide attention, there might be an "inharmonious situation" in which China and Britain each goes its own way.

Hong Kong Governor Chris Patten explicitly indicated yesterday that if China and Britain cannot reach agreement on the 1997 sovereignty handover ceremony, he did not "mind" if China and Britain make separate arrangements for the departure and arrival ceremonies. He said: "In Hong Kong there are so many important issues to be solved that Chinese and British negotiators should not waste too much time on this issue."

The Hong Kong political power handover ceremony expert group under the Sino-British Joint Liaison Group ended its third round of meetings the other day. In an exclusive interview with our staff reporter yesterday, Patten was asked whether a breakthrough had been made at the meeting. He first disclosed that "to tell the truth, the meeting the day before yesterday was not a good one."

This reporter asked: If eventually the two sides fail to reach agreement on the political power handover ceremony so that each has to make its own arrangements for the ceremony, will Britain think this will jeopardize its objective of withdrawing from Hong Kong with dignity? Patten replied: "No!... Let me make it clear, currently there are so many important, genuine issues to be solved that our negotiators should not waste too much time on this issue."

Later, when this reporter intended to switch off the recorder at the end of the interview, the governor especially asked me to leave the recorder on because he wanted to declare his stand on this issue once again. He said: "I think it would be better for both China and Britain to reach agreement on this issue. This would be most advantageous to the present government and the future special administrative region government. But if it is really impossible to reach an agreement, and there should be a departure ceremony [preceding two words published in English] and an arrival ceremony

[preceding two words published in English], it will not make any difference either!"

Then he added seriously: "Let me reaffirm, when we are still worried about the right of abode and the transition of civil servants, I don't think we should waste time on this issue (the sovereignty handover ceremony)." In his view, if China and Britain can reach agreement on a handover ceremony, it will benefit the participants from various circles in Hong Kong society and the soon-to-be-set-up special administrative region government, but it will not have an impact on whether Britain will withdraw honorably.

During the interview, Patten did not disclose why the talks had been so difficult. He only said that the question of whether he would attend the handover ceremony had never been discussed at the negotiating table.

According to an internal estimate by the Hong Kong Government, the historic moment of the 1997 political power handover will attract 3,000-6,000 foreign reporters to Hong Kong to cover the event. The estimate is based on the fact that Nelson Mandela's swearing-in ceremony also attracted some 3,000 foreign reporters. Taking into account that Hong Kong should have more appeal to foreign media, the Hong Kong Government has estimated that the sovereign handover ceremony will be covered by as many as 6,000 foreign reporters.

Governor Patten said jokingly yesterday that the foreign media's interest in Hong Kong "is not Governor Patten's mad dog plot." He pointed out that as far as he knows, some 100 foreign television stations hope to be able to broadcast live the 1997 Hong Kong sovereignty handover ceremony.

**Hong Kong: Patten Criticizes PC Handling of Right of Abode***HK0304082796 Hong Kong MING PAO in Chinese  
1 Apr 96 p a2*

[Report on "exclusive" interview with Hong Kong Governor Chris Patten by an unidentified reporter on 29 March: "Hong Kong Governor Says Britain Has Exchanged Visa-Free Access for Right of Abode for Hong Kong People"; conclusion; place not given]

[PTS Translated Text for FBIS] Hong Kong Governor Chris Patten revealed that there had been a deal between China and Britain over the issue of permanent right of abode for Hong Kong people. The British side promised special administration region [SAR] passport holders visa-free access to Britain after 1997 in exchange for Chinese Foreign Minister Qian Qichen's promise that all Hong Kong permanent residents before 1997 will become permanent SAR residents after 1997.



Chris Patten held the view that the British side has already performed its duty toward Hong Kong residents, but that the Chinese side has not yet set forth a specific and feasible plan in negotiations with the Hong Kong Government.

He disclosed that when he returned to London to report on work, he told the British secretary in charge of Hong Kong affairs that China and Britain must resolve two major issues for Hong Kong residents as quickly as possible through the talks, that is, in the way of exchanging commitments. What the British side must do was to make the commitment of allowing SAR passport holders visa-free access to Britain. That decision was not easily made; however, Britain eventually made it. What the Chinese side had to do was to resolve the issue of permanent right of abode for Hong Kong people.

He said when British Foreign Secretary Rikkind visited Beijing last January, he received a commitment in principle from Chinese Foreign Minister Qian Qichen. Rikkind also saw that the specific details for implementing the commitment (persons enjoying permanent right of abode in Hong Kong before 1997 continuing to enjoy that right after 1997) were awaiting study. However, the Hong Kong Government did not expect that it would have to speculate on the Chinese side's policy statements in the press, or that the officials who are to implement those policies later on would have to dig for and guess the contents of the policy. Such a situation should basically never have arisen.

Governor Patten questioned the statement issued by the SAR Preparatory Committee (PC) on the nationality of returned emigrants and the arrangements for the right of abode, indicating that there are still many points of ambiguity and problems in implementation. He criticized the Chinese side for failing to inform its British counterpart beforehand, and call a Sino-British Joint Liaison Group (JLG) experts meeting on that point. As a result, it put those Hong Kong Government officials who are to implement the relevant policy at a loss.

Commenting on the PC's plan, he said that he had no idea whether it was a PC statement or a statement of the State Council's Office of Hong Kong and Macao Affairs, or whether there is any difference between the two for that matter. He also hoped that it would be a relatively relaxed and comprehensive proposal. He noted the assessments of that plan in the press, which also included some critical comments; for example, on the requirement for some people to exchange the right of consular protection for permanent right of abode, will that requirement be relaxed? Does the plan as a whole

fall in line with Hong Kong's international obligations and responsibilities?

He stated that this issue does not involve politics or a matter of face, but is an issue of whether or not it is feasible; true, a matter of principle is involved, but, to his mind, the specific issues to be implemented are equally important.

Although the Hong Kong Government holds that the original proposal (namely, foreign citizens have only to simply state that they have lived in Hong Kong for seven consecutive years, and want to live in Hong Kong permanently, and they will become permanent SAR residents) is most simple and feasible, the Hong Kong Government will do its utmost to turn any rational PC proposal into specific and feasible arrangements. The sooner the Chinese and British sides call a meeting on that issue the better.

He stated that since last January the British side has kept asking the JLG to call a group experts meeting on that issue; in the wake of the PC's publishing its decision, the British side had made that request anew, as of that day to no avail.

An official of the Hong Kong Government Security Section told this reporter that at the present stage the Hong Kong Government is unable to comment on the PC proposal, because there are too many unknown details. An initial view is that many issues are awaiting clarification.

#### **Hong Kong: Britain Impatient With Handover Ceremony Talks**

*HK0304074996 Hong Kong EASTERN EXPRESS  
in English 3 Apr 96 p 2*

[By Jimmy Cheung]

[PTS Transcribed Text for FBIS] Britain is not prepared to negotiate with China "month after month" for an agreeable handover ceremony, the Governor, Chris Patten, said yesterday.

He indicated Britain was becoming impatient with the Chinese side over the discussions.

"These things in any other circumstances would be very straightforward, would be very easy to resolve, would be settled in one or two meetings and I am sorry it proves so difficult with Chinese officials," he said.

The two sides have met three times to hammer out the details following an agreement by the British Foreign Secretary, Malcolm Rikkind, and his Chinese counterpart, Qian Qichen, to hold discussions in the Joint Liaison Group.

In a strong indication Britain is prepared to go it alone, the governor said he would rather spend time on other more important issues.

"It's not the biggest problem that we have to tackle. We would all be, I think, a little surprised, if we have to spend month after month talking about this. "We can't sacrifice everything else in order to have meeting after meeting after meeting after meeting," he said.

Patten said a joint ceremony would ensure the future government could get off to the best possible start.

"The whole world as well as the community in Hong Kong will be somewhat surprised if we are not able to agree even on the mechanics of a handover ceremony."

Despite China's refusal to negotiate on citizenship, Patten called for further discussions as he believed the last-minute rush for naturalisation as British subjects had proved the right of abode impasse was a "very important issue" for Hong Kong.

#### **Hong Kong: Beijing Renews Demand for Officials' Records**

*HK0304081796 Hong Kong EASTERN EXPRESS in English 3 Apr 96 p 1*

[By Leo Law]

[PTS Transcribed Text for FBIS] China has renewed its call to be given the confidential records of senior civil servants, in a list of "requests for co-operation" to the Government.

The move is expected to add to unease in the civil service over a senior Beijing official's revelation that principal officials are expected to pledge allegiance to the provisional legislature if they want to serve the future government.

It is understood the British and Chinese sides have attached much importance to the list of more than 10 demands which was presented to the Government on Monday.

Officials from both sides are tight-lipped over the full contents of the list, which also demands the Government supports the establishment of the provisional legislature.

Hong Kong has rejected repeated calls from China to hand over the personal records of the Chief Secretary, the Financial Secretary, all policy secretaries and some department heads.

China has attempted to force the Government's hand in agreeing to the list of "requests" by claiming the Governor, Chris Patten has pledged assistance to the Preparatory Committee.

Preparatory Committee members are understood to want the personal records of the senior officials to help them decide who to appoint to the team-designate of the chief executive of the special administrative region (SAR).

The request is unlikely to receive a positive response from the Government, which is insisting that performance appraisals of senior officials are passed on to the chief executive-designate directly, instead of to China.

The Government has also been asked to provide projections on the number of senior officials who are expected to retire or resign from the administration in the run-up to the handover, and has been asked to begin processing applications for SAR passports before the handover.

#### **Hong Kong: PRC Official Plays Down Loyalty Pledge**

*HK0304084196 Hong Kong HONGKONG STANDARD in English 3 Apr 96 p 4*

[By Baby Sung]

[PTS Transcribed Text for FBIS] A senior Chinese official to the Joint Liaison Group Chen Zuor said Hong Kong people are "over-sensitive" to recent remarks about the transition of civil servants in the handover process.

Mr Chen was referring to the ongoing hullabaloo over the suggestion by a highly-placed but unnamed Chinese official that top civil servants must declare support for the provisional legislature if they want to be chosen for the team designate to work with the chief executive.

The remarks did not show Beijing was sending a new message to the top civil servants, Mr Chen said.

"The recent report is over-sensitive on this matter. I was also present at the tea party (where the remarks were made) in Beijing that night," Mr Chen said.

"I did not feel a new message was being sent out. There was no message about forcing the current civil servants to immediately declare their stance on the provisional legislature."

Mr Chen, who was attending the spring banquet of Hong Kong Former Senior Civil Servants Association last night, confirmed that support of the provisional legislature was definitely needed due to the relationship between the administration and legislature.

"Principal officials of the Special Administrative Region will have to prepare for the establishment of the Special Administrative Region. So it is natural for them to work with the provisional legislature, which will be functioning before 30 June next year," he said.



He praised the current civil servants for their great contribution to society and said he believed most of them would remain in loyal service to the SAR government.

Preparatory Committee member and former senior civil servant Wilfred Wong Ying-wai said it was viable to allow some of the current principal officials to work for the chief executive-designate.

But he suggested appointments should not be too early because a long period without secretaries at their posts would lead to greater problems.

Policy secretaries should be recruited to the team designate less than six months before the handover.

He also believed Chief Secretary Anson Chan Fang On-sang's public stand against the provisional legislature showed she was only doing her duty to defend government policy.

"This is a long-time tradition for the policy secretaries to defend government decisions even though they may have their own private views. This is the administrative culture of Hong Kong civil servants," Mr Wong said. "I hope this tradition will be maintained in the SAR government."

#### **Hong Kong: Draft Law Seeks Indefinite Detention of Refugees**

HK0304062996 Hong Kong SOUTH CHINA  
MORNING POST in English 3 Apr 96 p 1

[By Scott McKenzie and Chris Yeung]

[PTS Transcribed Text for FBIS] The Government is drafting legislation to allow the indefinite and arbitrary detention of boat people, specifically circumventing a Privy Council ruling which today will see 214 Vietnamese asylum-seekers go free.

The move has been prompted by last week's decision that 15 boat people, refused repatriation by Hanoi, had been unlawfully held.

The new law, if endorsed by Legislative Councillors, would allow the Government to hold boat people in virtually any circumstances, regardless of similar Privy Council rulings.

Vietnam refuses to accept the migrants since it considers them Taiwan nationals.

Last night, the plan was attacked by human rights experts who said it was likely to have an impact on the freedoms of all Hong Kong people.

"When the provisional legislature authorises drastic powers of detention, people will be able to see where

the precedent for the legislation came from," warned refugee lawyer Rob Brook.

The 214 Vietnamese freed today, plus another 40 under consideration for release, will be sent to the New Horizons refugee centre near Kai Tak but will be free to live elsewhere and to seek work.

Secretary for Security Peter Lai Hing-ling said the legislation being drafted would require a firm rejection of repatriation by Vietnam before people could be released.

However, Vietnam rarely issues rejections and people on the repatriation list are left in a "pending" category, meaning they can effectively be held indefinitely in Hong Kong.

The Foreign Office's Hong Kong minister, Jeremy Hanley, will make the issue a priority when visiting Hanoi next week. He will also ask Vietnam to reconsider its decision not to take back boat people freed today.

Sources said British and Hong Kong negotiators would try to convince Hanoi to accept individual boat people back on a case-by-case basis.

"There are situations where the boat people concerned have clear family connections in Vietnam and others where they will certainly become stateless if Vietnam does not accept them," a source said.

It is believed that a continuing row between Hanoi and Beijing over 260,000 Vietnamese now living on the mainland is blocking Hong Kong efforts to repatriate its boat people whose nationality is in doubt.

"If Vietnam accepts a few hundred people from Hong Kong they consider to be nonnationals, it will have serious implications for their talks with China," the source said.

"Publicly, the Vietnamese Government does not want to admit this, but we have reason to believe this is the case."

In the meantime, urgent negotiations have also been opened with Taiwan.

Many of those released are ethnic Chinese, claiming to be Taiwanese nationals, and it is hoped Taipei accepts them.

"However, their release certainly did not mean the boat people would be allowed to be settled in Hong Kong," Mr Lai warned.

He also refused to apologise for their detention, described as "truly shocking" by the Privy Council, even though some of the people have been in Hong Kong since 1989.

The new legislation is likely to go to Legco at its first sitting after Easter on April 24.

Selina Chow Liang Shukye, Legco's security panel vice-chairman, said change was urgently needed to plug loopholes for Vietnamese to stay in the territory.

Mrs Chow, who is also Liberal Party spokesman on security matters, said there were fears the Privy Council decision would create expectation among Vietnamese that they would be able to stay.

Independent legislator Emily Lau Wai-hing had not seen the draft legislation and refused to comment.

**Hong Kong: Editorial on Dealing With SRV Boat People**

HK0304081496 Hong Kong EASTERN EXPRESS  
in English 3 Apr 96 p 11

[Editorial: "Deplorable Bid To Thwart Ruling"]

[PTS Transcribed Text for FBIS] Lawyers representing the Vietnamese detainees of Chinese origin say they are aghast at the Hong Kong Government's determination to attempt to circumvent the law. It is easy to see why.

This is an issue with implications that go far beyond the fate of 200 or so boat people held in the camps here. On every level the decision is to be questioned and deplored.

It is little short of incredible that an administration which has constantly emphasised the importance of a Court of Final Appeal after the handover in 1997 should be bent on a course that defies the ruling of the Privy Council, the present court of final appeal.

The case of four Vietnamese whose application to return had been turned down by the Vietnamese authorities was taken to London where the Hong Kong Government's detention policy was described as "an affront to the standards of the civilised society which Hong Kong aspired to be". Seemingly unchastened by such a scathing assessment, the Security Branch has been turning cartwheels in recent days trying to find a way to avoid carrying out the judgment of the court.

Why they should be so obsessed with detaining these people is a mystery. The Privy Council judgment

rules the Vietnamese are stateless and therefore the responsibility of the United Nations which must now be pressured to move quickly to find them asylum elsewhere. They are not Hong Kong's responsibility. They have no right to remain here, but they do have a right to sanctuary until a permanent home can be found for them before July 1997.

Yet the Government persists in trying to get Vietnam to change its mind. Failing that, it will ask Taiwan to accept them, as most of those affected are of Taiwan origin.

It all seems to be a lot of unnecessary effort, but that is not the main reason for alarm. It is the Government's action in deliberately setting out to thwart the decision of the court of highest authority which should concern the people of Hong Kong.

Is the public expected to agree, 15 months from transition, that when an uncomfortable and unwelcome judgment is reached by the courts, it is an acceptable procedure to undermine it? Does this administration operate under the system that decrees if it does not like a legal judgment, it merely changes the law?

Is that a wise message to send to the world, and in particular the incoming sovereign, about the sanctity of the rule of law? It is very much to be hoped that in their present panic-stricken gyrations, officials in the Security Branch sit down and take stock of the course they appear set upon, before they actually embark on it.

Not only does their position demonstrate a certain contempt for the Privy Council, but they should bear in mind that unless the proposed amendments to the law are handled very carefully, it could rebound badly on Hong Kong.

The last couple of years here have been devoted to removing draconian legislation from the statute books. Now we have the bizarre spectacle of the same administration trying to introduce new punitive measures permitting arbitrary, indefinite detention, as if this was some kind of repressive regime.

What on earth are they trying to do?



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